

# Poverty Brief

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#### **Key points**

- In order to accelerate progress in achieving the 2030
  Agenda for Sustainable Development, advancing
  social protection is an essential approach because
  of its holistic treatment of the social, economic,
  and environmental dimensions of poverty.
- Embodying a rights-based conceptualization, Social Protection Floors help to promote the design of systems that reach all people with a focus on those furthest below the poverty line and the vulnerable, persons with disabilities, indigenous persons, children, youth and older persons, while optimizing synergies across sectors to address the multiple forms of inequalities that underpin poverty.
- Social protection can play a particularly central role in the achievement of gender equality and women's empowerment.
- Through responding to the immediate manifestations of poverty while also increasing populations' resilience to economic shocks in the long run and creating opportunities for inclusive and sustainable growth, social protection helps to bridge the nexus between humanitarian and development issues.
- Social protection can make a significant contribution to the environmental objectives of the global sustainable development agenda through a number of direct and indirect pathways.

# ACCELERATING SUSTAINABLE DEVELOPMENT THROUGH SOCIAL PROTECTION

by Babatunde Omilola

#### Introduction

Social protection has risen to the forefront of the international development agenda in recent years. This is the result of numerous global developments, including the adoption of the United Nations Social Protection Floor initiative, the inclusion of several social protection targets within the Sustainable Development Goals (SDGs), and the commitment for governments to provide social protection as part of the Addis Ababa Action Agenda. While there are many definitions of social protection provided by different agencies, institutions and governments, the definition provided by the International Labour Organization (ILO) shows that social protection is a right (Article 22 of the Universal Declaration of Human Rights). According to ILO, social protection systems include all measures providing benefits, whether in cash or in kind, contributory or non-contributory, to secure protection across the lifecycle from lack of income caused by sickness, disability, maternity, employment injury, unemployment, old age, or death of a family member. Social protection systems include child and family allowances, maternity benefits, support for those without jobs, employment injury insurance, disability benefits and old-age pensions (ILO, 2015).

Evidence shows the impact that social protection policies can have on reducing poverty and vulnerability, addressing inequality and boosting inclusive growth. Despite its heightened prominence within global discourse and national policies as an essential development instrument for governments, the implementation of social protection remains limited in scope. Although 45 percent of the global population are now protected in at least one social protection policy area due to the establishment of social protection systems in many low- and middle-income countries, around 55 percent of the global population remain unprotected. Today, only 29 percent of the global population enjoy access to comprehensive

social security systems, while 71 percent of the world's population continue to live without adequate social protection coverage (ILO 2017). This indicates that greater efforts are needed to develop and expand social protection coverage. This Brief therefore makes the case for greater investments in social protection as a key vehicle for accelerating progress towards achieving the SDGs. The focus is on the capacity for social protection to contribute to the global Agenda's all-encompassing vision of 'leaving no one behind', to coherently address the social, economic, and environmental dimensions of development, and to bridge the divide between humanitarian and development interventions.

## Developing systems that leave no one behind

Among the most distinctive characteristics of the SDGs are their focus on finishing the work started by the Millennium Development Goals (MDGs), committing countries not merely to reducing, but in fact eradicating poverty, hunger, and malnutrition; and ensuring healthy lives, inclusive education, gender equality, inclusive and sustainable growth and environmental sustainability amongst others. Leaving no one behind means reaching those who are the most marginalized, necessitating interventions to ensure universality and innovative approaches that address the multiple interconnected drivers of vulnerability. Social protection represents one of the most potent means to reach those left furthest behind, offering a framework through which states can realize their obligations under international law to guarantee the right to social security and a decent standard of living for all population groups (UNDP 2016). The expanded conceptualization of social protection was originally understood exclusively in terms of poverty reduction, focusing largely on individual safety net programmes to address income poverty.

The fact that it is now seen as a set of measures integrated into broader social and economic development policies has transformed it into a means of addressing not only the symptoms of poverty, or material inequalities, but also the underlying power imbalances that drive and entrench it and the associated nonmaterial inequalities (UN ESCAP 2015; UNDP 2016). More specifically, social protection systems can be integrated into other policy measures in order to remove some of the socio-political constraints arising from factors such as "lack of income, self-exclusion, lack of knowledge of processes, lack of information, positive discrimination and cultural norms" that prevent excluded and marginalized groups from claiming benefits and services (Roelen, Sabates-Wheeler, & Devereux 2016, p. 233).

### Social Protection Floors: delivering social protection as a human right

This section illustrates the potential of Social Protection Floors to enhance a number of economic, social, cultural, civil and political rights. The notion of social protection as an obligation under human rights law is well articulated in Articles 22 and 25 of the Universal Declaration of Human Rights and Articles 9 and 11 of the International Covenant on Economic, Social and Cultural Rights. The uptake and adaptation of Social Protection Floors by many countries has shown that well-designed social protection systems guarantee the availability, provision, and effective access to a minimum level of quality social protection goods and services across the life cycle and for all population groups. (UNDP & ILO 2011). Ensuring access to basic goods and services in the areas of health, water and sanitation, education, food, housing, and life- and asset-saving information, Social Protection Floors have led to the achievement of multidimensional, mutually supportive, and sustainable outcomes in many countries, with a particular impact on raising the security of the poorest (UNDP 2016). Brazil's Rural Social Insurance programme, which covers 80 percent of agricultural workers, for instance, reduced the number of poor people, as defined by income, by 4 million. Colombia's universal health coverage system, reaching 90 percent of the population, not only facilitated the increased use of health services, but in reaching much of the rural and poorest populations, it also contributed to a 2 percent reduction in income poverty and a 3 percent reduction in inequality (UNDP & ILO 2011).

#### A key player in tackling gender inequalities

In their capacity to address all forms of inequality, including inequalities of outcome, opportunity, and those found across population groups, Social Protection Floors have a particularly fundamental role to play in addressing gender-based discrimination and exclusion. The gender inequalities that shape women's participation in the labour market and the formal economy limit their household decision making power and burden them with unequal shares of unpaid family responsibilities. Gender inequalities also constrain some women from getting access to social security that could otherwise help them escape the poverty traps perpetuated by gender stereotypes. As such, Social Protection Floors, in guaranteeing a nationally defined set of basic services and social insurance, and closing coverage gaps, can increase women's autonomy and empowerment by eliminating discrimination in labour markets and in education (Omilola & Kaniki 2014). In South Africa, for example, women account for a larger share of social grant beneficiaries than men do, and these social grants have helped reduce discrimination in the country's labour markets. Social Protection Floors also strengthen female labour force participation, encourage the formalization of employment, and enhance the balance between work and family responsibilities (Tessier et al. 2013). Similarly, the coordination of social protection interventions with employment policies that account for the specific needs

and vulnerabilities of women, such as guaranteeing equal wages and integrating maternity benefits and childcare provision, can significantly raise women's market participation (Tessier et al. 2013). For example, the Productive Safety Net Programme (PSNP) in Ethiopia allows women to work fewer hours than men for the same pay, and facilitates a switch to direct support when women are pregnant or breastfeeding, thereby having a significant impact on unpaid care and domestic work. In rural contexts, "interventions that strengthen women's property rights and increase their access to land and natural resources can help improve women's livelihood options", boost their "asset base" and promote their inclusion in local and national markets, helping to lift them out of poverty and reduce "their reliance on other forms of social assistance" (UNDP RIO+ Centre 2016, p. 181). As these examples attest, the multiple entry points and universal coverage offered by Social Protection Floors render them a critical approach to addressing the complex cultural, political, and economic manifestations of gender inequalities.

## Social protection's place in the humanitarian-development nexus

In addition to addressing multiple forms of inequality, the cross-cutting relevance of social protection to the 2030 Agenda lies in its efficacy to coherently address poverty in all dimensions that constitute poor people's experience of deprivation. This includes poor health, lack of education, inadequate living standards, lack of income (as one of several factors considered), disempowerment and poor quality of work, both in the immediate and long term. Most notably, social protection can help to address the nexus between meeting humanitarian need and securing the path to development (Martínez-Solimán, 2016). Social protection schemes designed to scale up or down in times of crises can cushion individuals against social, economic and environmental shocks, whilst increasing the resilience of those vulnerable to such shocks over time. As an illustrative example, Ethiopia's Productive Safety Net Programme integrates interventions to reduce food insecurity in emergency situations with measures aimed at fostering longer term sustainable development by tying the provision of food transfers to projects that improve community infrastructure and environmental protection. More broadly, the coordination of food aid with measures such as "cash transfers and the provision of farm equipment, agricultural inputs, and access to credit can contribute to a more rapid reconstruction of livelihoods and promote resilience." (UNDP RIO+ Centre 2016, p. 179)

At the macro level, the linkages between social protection and pathways for human development and employment creation render it effective in contributing to inclusive and sustainable growth. Social protection must be properly coordinated with other long-term development initiatives to be effective. In particular,

when coordinated with employment policies, social protection can impact people's ability to aspire to more and better employment opportunities by enabling investments in health and education, and enhancing social cohesion, while improving the availability and conditions of jobs (Jahan 2013). In addition to acting as a productivity factor, helping to raise the "total level of economic output," social protection interventions such as cash transfers can boost individuals' purchasing power and domestic demand, helping to smooth consumption volatility during economic downturns (UN ESCAP 2015, p. 38). Most critically, in its simultaneous targeting of inequalities of opportunity and through placing emphasis on creating employment opportunities for those with the least access, social protection yields growth that is pro-poor in nature. This in turn acts as a virtuous cycle to propel further inclusive growth, with evidence showing that a 10 percent reduction in income inequality resulting from social protection has been found to increase the expected length of a growth spell by 50 percent (UN ESCAP 2015, p. 30).

### Embedding climate action within poverty reduction measures

Intertwined with the social and economic contributions of social protection is its potential to significantly advance the environmental targets of the SDGs. Among its possible pathways, this influence is perhaps most apparent in interventions that promote sustainable agriculture and rural development. Considering that over 70 percent of the world's extreme poor rely on agriculture as their main source of livelihood, and that agriculture accounts for 20-25 percent of total greenhouse gas emissions, it is clear that combatting climate change and reducing poverty go hand in hand. At the same time, rural development and sustainable agriculture play a deterministic role in the achievement of sustainable development (HLPF 2017).

In the short term, social protection that supports disaster risk management activities to enhance the adaptive capacity of those who rely on weatherdependent livelihoods can build populations' resilience to the increasing occurrence of extreme weather events induced by climate change. For instance, UNDP and the Government of the Philippines, through the Philippine Crop Insurance Corporation (PCIC), are implementing a project in the Mindanao region called Weather Index-Based Insurance (WIBI) Mindanao. The project has helped manage climate-related risks by building the capacities of farmers and producer organizations to analyse climate risk and develop and implement adaptation practices that enhance agricultural productivity. This in turn has strengthened the resilience of agriculturebased rural communities in Mindanao.

In the long term, social protection can promote environmental sustainability and livelihood diversification by building more sustainable food systems and natural resource management (UN ESCAP 2015). The earlier referenced Ethiopian Productive Asset Creation Programme, for example, ties social protection to climate adaptation efforts by offering those engaged in public works programmes the option to receive climate or weather insurance instead of cash or food transfers, or to 'buy' the insurance by working additional days on the productive asset project. The programme not only protects farmers against the risk of drought but also improves yields and incentivizes farmers to invest in new drought-resistant crop varieties.

Beyond the impact of programmes explicitly designed with climate adaptation measures in mind, social protection contributes more broadly to positive environmental outcomes through a number of indirect pathways, particularly through its role in developing human capital by reducing social inequalities, enabling increased access to education, and supporting enhanced household income generation and resilience.

#### Conclusion

This Brief has shown that a broader approach to social protection is required, framed by a focus on sustainable development – on expanding people's capabilities in ways that are economically, socially and environmentally sustainable. Social protection has the potential to contribute to a broader set of human development outcomes, including health, education and political empowerment, as well as people's capacities to adapt to a changing context, often characterized by economic, political, and environmental volatilities. While directly contributing to the SDGs relating to poverty, health, women's empowerment, and the reduction of all forms of inequalities, social protection can have a catalytic role in the achievement of all the SDGs, whether through the multiplier effects borne out of healthier, more productive populations, improved consumption and labour market outcomes, or through the promotion of sustainable agriculture practices.

Inherently multi-sectoral in its focus, social protection does not only require coherence between policies and programmes, it also requires harmonization in the systems for targeting, monitoring, and implementing a range of interrelated and interconnected interventions, thus serving as a platform for establishing the kind of cross-cutting partnerships deemed fundamental to the achievement of the SDGs. When designed as a whole-of-government system

with universal reach, as promoted by Social Protection Floors, social protection epitomizes the integration of social, economic, and environmental objectives in the pursuit of 'leaving no one behind' on the path to sustainable development.

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