Chapter 17
Social Protection

Aline Coudouel, Kene Ezemenari, Margaret Grosh, and Lynn Sherburne-Benz

Tables

Figure

Boxes

Technical Notes ***(see Annex N, p. 509)***

Overview

Policies that promote economic growth are central to poverty reduction, but social protection (SP) measures also have a role to play in reducing the vulnerability and protecting the welfare of the poor. Choosing the mix of SP programs and policies that will best contribute to poverty reduction requires care. A range of policy reforms, programs, and delivery mechanisms, from changes in labor law to provision of public works programs and from public to private mechanisms, may need to be introduced, modified, or strengthened to improve the poverty impact of SP measures.

The first step in choosing an appropriate mix of SP policies is to analyze the main sources of risk and vulnerability of the population and identify the population groups most affected by these risks. Once the groups and their characteristics are identified, the role that SP can play, in conjunction with interventions in other sectors and at the macroeconomic level, can be investigated. Policies to ensure macroeconomic stability, rural development, and human capital formation are especially important and will complement SP programs.

The second step is to determine which of the identified groups are covered by existing SP programs and policies and assess the effectiveness of these instruments individually and in combination. Special attention should be paid to the compatibility of the policy context and the expenditure programs, and the specific objectives of each intervention, its effectiveness at achieving these objectives, and its cost-effectiveness in delivering the observed outcomes.

The aim is to reveal both gaps in coverage and the cost-effectiveness of existing interventions. If full cost-effectiveness analysis cannot be done, then consideration of partial indicators such as sustainability, targeting effectiveness, administrative costs and unintended effects, and constraints can be used.

This analysis of existing programs and policies, together with information on alternative interventions and the constraints faced (for example, budget constraints, administrative capacity, and political economy), provides the basis for determining the most effective mix of interventions. In all cases, the full SP strategy will be composed of a mix of policies and programs. The appropriate mix, of course, will vary by country.

The final step is to develop an action plan that specifies the actions, resource requirements, timetable, and parties responsible for each action. This will help ensure that the immediate and intermediate steps are taken to lead to the medium-term and long-run goals of the Poverty Reduction Strategy (PRS).

To illustrate both how the line of analysis proposed here can be implemented, and how the mix of interventions selected will vary by country, the last section of this chapter considers the country cases of Argentina, Malawi, and Togo.

A wealth of experience is available about the different types of SP policies and programs. Not every type of program or policy will be appropriate, or even feasible, in every country, as the country cases illustrate. The fact sheets presented in technical note N.2 highlight key design features and lessons gained from the past implementation of SP policies and programs to help Poverty Reduction Strategy Paper (PRSP) teams judge the performance of existing interventions and assess what might be realistically expected of new ones.

Figure 17.1 provides a schematic of the line of analysis proposed, to facilitate easy navigation through the chapter for readers who want a quick overview of the ideas presented here before or after reading the whole chapter more thoroughly.

17.1 Introduction

Social protection interventions are "actions to (1) assist individuals, households, and communities to better manage risk and (2) provide support to the critical poor" (World Bank 2000). A country's policy framework on SP will include a set of laws and regulations and a set of expenditure programs. In addition, private mechanisms—both market-based and informal—provide important support. These policies, programs, and norms are combined to manage risks— that is, events that would harm a family's

Figure 17.1. Schematic of Flow of Analysis

Step in analysis	*Quick references*
1. Profile risks faced and vulnerable groups Determine mix of SP and non-SP interventions	Table 17.1 and box 17.3 for generics Tables 17.4, 17.5, and 17.6 for country examples Table 17.2
2. Determine cost-effectiveness of individual SP interventions (existing or potential) 2.1 Labor regulations 2.2 Contribution-financed social insurance 2.3 Effectiveness of publicly funded programs to • map vulnerable groups to interventions • determine their cost-effectiveness – objectives – outcomes	 Bulleted text on page 12 Bulleted text on pages 13–14 Bulleted text on pages 15–16 International benchmarks in technical note N.2
3. Adjust program mix	Bulleted criteria on pages 19–20
4. Specify action plan	Text on pages 20-21

welfare. Some risks, such as economic recession, harvest loss, natural disaster, and war, affect whole societies or large groups; others, such as the illness of a family member, loss of the breadwinner's job, and crime, affect only individual households. Risk management strategies should include actions to reduce the likelihood that certain risks will occur, thereby mitigating risk by reducing the negative consequences associated with an event, and to help the poor cope with the residual effects of the shock so that they do not suffer irreversible negative effects. Some examples of SP interventions appear in box 17.1 and later in this chapter.

Promoting economic growth is necessary to reduce poverty. Social protection programs assist in reducing poverty by reducing income swings, fostering long-term investments in human capital, and, sometimes, by compensating those who are affected by policy changes meant to promote growth.

Box 17.1. Examples of Social Protection Activities

Public actions

Labor-market interventions. **Improve the ability of households to provide for themselves through work via the development of efficient and fair labor policies, active and passive labor-market programs, and pre- and in-service training programs.**

Pensions. **Help governments take care of their older and aging populations by creating or improving private pension provisions, mandatory savings, and public old-age income support schemes. Governments intervene heavily in both regulation and expenditure in this area.**

Social safety nets. **Provide income support and access to basic social services to the poorest population groups and those needing assistance after economic downturns, natural disasters, or household-specific adverse events that reduce income.**

Child-labor reduction programs. **Promote the development of human capital and increase equity and education for all groups by designing comprehensive strategies for broadly based poverty reduction, and craft appropriate legislation and programs specifically for child laborers to reduce the occurrence and mitigate the risks of harmful child labor.**

Disability programs. **Help the disabled through community-based services, including family support (respite care, child care, counseling, home visiting, domestic violence counseling, and alcohol treatment and rehabilitation), support for people with disabilities (inclusive education, sheltered workshops, rehabilitation, and technical aids), help for the elderly (senior citizen centers and home visits), and out-of-home placements (foster care and adoption).**

Social funds. **Through agencies, channel grant funding to small-scale projects to help poor communities design and implement their own projects to meet their self-defined needs.**

Private actions

Market transactions. **Private markets can provide insurance policies for health and physical assets, pension plans for retirement, and vehicles for saving in good times and for obtaining credit when needed.**

Informal arrangements. **Support community or family members through informal insurance arrangements. Arrangements can include marriage; children; mutual community support; savings or investment in human, physical, and real assets; and investment in social capital, such as rituals and reciprocal gift giving.**

Furthermore, there is growing evidence that high levels of inequality are associated with low growth due to poor policy choices, lack of social cohesion, or civil unrest. Social protection programs may improve income distribution and good policy choices and thus growth. The poor are often the most likely to face risks of many sorts, from drought-induced food shocks to the death of a breadwinner or other earner to the loss of housing as a result of natural disaster. Compounding this, the poor have few assets with which to face such shocks, so a drop in their income is more likely to reduce them to unacceptable levels of welfare. Good SP measures for the poor, especially in poor countries, thus cannot be considered a luxury. SP programs can help manage risks and facilitate poverty reduction, but, as do all interventions, they require fiscal, administrative, and policy resources that are limited in poor countries. It is therefore crucial for national authorities to be able to prioritize across their alternative options.

The objective of this chapter is to aid policymakers in choosing the right mix of SP policies and programs to meet national goals as determined by the PRS. The chapter proposes a four-step process. The first step (outlined in section 17.2), consists of diagnosing the sources of poverty and vulnerability and considering whether SP or non-SP interventions are most appropriate to deal with them. The second step (section 17.3) gives guidance on evaluating the cost-effectiveness of individual SP interventions. The third step (section 17.4) brings together the results of these diagnoses and information on budget considerations to inform the final choice of program mix, and suggests the criteria that might be used in selecting that mix. The fourth step (section 17.5) is to devise a concrete plan to implement the strategy chosen in step 3. Then section 17.6 presents country case study examples from Argentina, Malawi, and Togo as illustrations of the analytical framework suggested here.

17.2 Step 1: Diagnose Risks and Vulnerabilities

The first step in determining appropriate interventions is to identify vulnerable groups, the risks that they face, and the sources of their vulnerabilities. The term "vulnerability" as commonly used includes several notions, all of interest. Some analysts use it to mean variability in income or an indicator of welfare, even when the average level is satisfactory. Understanding variability in income, even for those who start somewhat above the poverty line, is important in understanding poverty and the concerns of households and policymakers with respect to SP mechanisms. Other analysts use vulnerability to mean the likelihood that the indicator will pass below the defined acceptable threshold and fall into the range that signifies poverty or hunger, for example. Such an adverse outcome can stem from one or a combination of three factors: (1) starting below the threshold (chronic poverty); (2) exposure to risks or shocks, especially for those close to the poverty line; and (3) having few risk management tools available. It is important to know how prevalent each of these problems is and how they interact, as each should be addressed with different interventions. Box 17.2 gives some examples of factors that can be categorized as sources of structural or transitory vulnerability.

This section outlines methods for identifying the key risks that contribute to poverty, along with the groups that are most vulnerable to these risks. These methods point to potential interventions, some of which fall within the definition of SP but many of which are outside the sector. Guidance is also provided on how to decide whether or not SP interventions are the best means to address identified problems. When a preliminary "long list" of SP interventions has been identified, the next step is to prioritize these to reflect the fiscal constraints, political economy considerations, and institutional capacity of the country in question.

17.2.1 Identify major sources of risk and affected groups

Various means can be used to identify the major sources of risk faced by the poor. Analyses for several Latin American countries (see the Argentina example in section 17.6) categorize the population into age groups, list the risks theoretically faced by each age group, marshal data on the basic indicators of each risk, and use those data to assess whether or not the potential problem represented by each risk should be a priority for attention. For example, one would look at indicators of nutritional status to see if children's health and development are threatened. If the malnutrition rate is low, higher priority should be given to other risks. Such analysis can be enriched by systematically distinguishing by gender (see technical note N.1 for more on this topic); by ethnicity, where pertinent; and by level of poverty. It has the advantages that most audiences find it easy to understand and that the programs to address unacceptable outcomes match well with this approach. Its disadvantage is that it ignores the role of the family in grouping together individuals of different ages, contributions, and needs.

Another approach is to list all risks that have been prevalent in the country over a given period—say, over the past five years—then relate each risk to the groups that are likely to be most vulnerable. This is the approach adopted in Togo (see section 17.6), where household data and analytical capacity were limited. Still another approach would be to analyze the risks faced by those in different regions or with different sources of livelihood. Box 17.2 shows some sources of vulnerability and risk. (Although structural and transitory vulnerability are obviously related, they have been separated in an effort to help isolate the different causes.)

Once the sources of risks have been identified, each type of risk should be assessed for its severity, scope (in terms of the numbers and groups of people affected), and types of effects and their expected frequency within the particular country context. It is important to determine whether the identified risks affect specific individuals or households and are therefore idiosyncratic (such risks include noncommunicable illness, individual short-term unemployment, and family breakup) or whether they affect whole regions or groups of households and are therefore covariate (such as drought, seasonal price volatility, war, or financial crisis that affects an entire community at the same time). Risks also can be either single or repeated events, examples of the latter being repeated droughts or floods. Covariate, repeated, or compounded shocks are typically more difficult to handle through informal means, and an appropriate response to catastrophic events may be long-term net transfers. In contrast, noncatastrophic events that occur with high frequency but have nonsevere effects, such as transitory illness and temporary unemployment, do not always require long-term net transfers to the affected household because the household may be able to cope in the short term using savings, loans, reciprocal gifts, or, in some cases, private insurance. For very poor households, however, even these types of events can be devastating.

Thus mapping risks and vulnerable groups requires the determination of:

- ***The frequency of the risk***—for example, a yearly or periodic drought or a rare economic crisis.
- ***The severity and scope of the risk.*** Household data can be used to identify the income sources and expenditure patterns of the poor, and can be used together with qualitative/rapid assessments or geographic information systems (see chapter 1, "Poverty Measurement and Analysis").
- ***The types of groups or individuals affected.*** Is the risk limited to a particular group, such as women, men, those in certain regions or occupations, or minority groups, or does it affect whole areas or individuals in a totally idiosyncratic manner? (See chapter 1, "Poverty Measurement and Analysis," and chapter 10, "Gender.")
- ***The effects of the risk*** on income, social interactions between groups and families (social cohesion), and access to social services and other non-SP risk management interventions, such as microeonomic-finance.

Once vulnerable groups have been mapped against the types of risks they face, the results can be used to make a preliminary prioritization of the possible interventions. Some of the risks may not be inherent in the economy but rather may be the result of existing policies or programs, for example, inflation stemming from poor macroeconomic or fiscal policy. Table 17.1 provides an example of the type of mapping that can be conducted.

17.2.2 Choose between SP and other interventions

Once the major sources of risk and vulnerability and the groups most affected by them have been identified, two questions should be answered: (1) could changes in existing policies, laws, regulations, or programs reduce vulnerability and poverty; and (2) should SP interventions be used to address these difficulties and, if so, which interventions would be most appropriate?

The decision to use SP or non-SP interventions will depend on whether the risks are primarily structural or transitory. It will also depend on whether the primary objective is to reduce risk, mitigate risk, or facilitate coping with risk. Table 17.2 illustrates many of the options available according to these two typologies.

Box 17.2. Sources of Vulnerability and Risk Relevant to SP

Structural vulnerability

- **High levels of poverty, large numbers of extreme poor, and high levels of inequality**
- **Lack of access to basic services**
- **Seasonality of employment, income, or consumption needs**
- **High levels of lawlessness and crime**
- **Geographic, gender, or ethnic concentration of the poor**
- **Poor macroeconomic, labor, and social policies**
- **Low asset levels and lack of asset portfolio diversification**
- **Low skill levels of labor force**
- **Structural unemployment (for example, for youth, graduates, or women)**
- **Limited social and family networks or limited flow of information**
- **High levels of child labor**
- **Permanent physical or mental disability**

Transitory vulnerability

- **Natural or weather-related, for example, earthquakes, floods, droughts, hurricanes, or pests**
- **Economic downturn or crisis, for example, recession, transition, inflation, wage arrears, changes in taxation or spending, decline in production in sectors from which workers are immobile, job loss**
- **War, conflict, and violence (national, regional, or individual)**
- **Illness or injury, for example, individual illness, epidemics, or temporary physical or mental disability**
- **Life cycle events, for example, effects on household income of old age, death of a household member, widowhood or family breakup, or multiple births**

If the risk or vulnerability is structural, risk reduction or prevention efforts will in most cases be the most appropriate course of action. Risk reduction efforts tend to fall more into the realm of policy than program-style intervention, and many key elements of these efforts also fall outside the scope of SP. Of those within the scope of SP, many are in the form of labor-market regulation and programming. Risk mitigation strategies in many instances may also be best dealt with by using interventions outside SP, such as efforts to help diversify the "portfolio"'—the physical, financial, human, and social capital assets—of the poor to cushion shocks. Finally, risk-coping mechanisms that relieve the impact of shocks once they have occurred are essential to protect against unacceptable levels of poverty. Many risk-coping mechanisms require support from SP interventions, although others do not.

In deciding the balance between SP and non-SP interventions, one should keep in mind that:

- Interventions that promote widespread poverty reduction should always have high priority.
- If poverty is more structural than transitory, interventions to deal with the structural aspects, which are usually non-SP interventions, should have priority.
- Groups that are not benefiting from general economic growth may need special SP policies or programs.
- SP programs can be expected to reduce poverty both directly, through reducing vulnerability to income swings and preventing irreversible losses, and indirectly, by broadly contributing to social cohesion and sound policy choices.
- The best mix of policies and interventions in any given circumstance will depend on the context of macroeconomic policies, fiscal constraints, and competing budget priorities; the institutional capacity to design and implement; and political economy considerations.

17.2.3 Indicators for monitoring progress

There is little international consensus on SP indicators. However, the list of potential indicators in box 17.3 may be a useful set from which countries can choose to monitor their progress in improving the lives of vulnerable groups. The specific indicators chosen by a particular country will depend both on what is pertinent to measure—the kinds of risk, the groups that are most vulnerable, and the kinds of programs present—and the realities of what data are available. In most cases it will be advisable to gather data on

Table 17.1. Mapping Risks to Vulnerable Groups and Interventions (Illustrative Example)

		Severity of effect				*Remedies*	
Risk	***Indicator of risk***	***Income loss***	***Duration***	***Numbers affected***	***Groups most affected***	***Non-SP***	***SP***
Economic crisis	Gross domestic product (GDP) growth rate, exchange rate, trade statistics, business failures	Unemployment rate, decline in wage rate	Number of months	Numbers of persons by sectors, regions	Workers in most-affected sectors	Macroeconomic, finance, trade policies	Unemployment insurance, active labor-market programs, safety nets
Poor rains	Rainfall, timing	Income or proxy (harvest, yields)	Season	Numbers of persons by regions, sectors	Rain-fed farmers, their suppliers and buyers	Irrigation, crop choices, agricultural inputs for next season	Labor-intensive public works, nutrition programs
Landslides	Number affected	Loss of life, livelihood, property		Numbers of persons by location	Residents in affected areas	Land-use regulations, insurance/savings	Safety nets
Illness	Morbidity rates	Cost of treatment, opportunity cost of caregivers' time	Acute versus chronic	Numbers of persons	Children, the elderly, high-risk groups	Health care delivery system, health insurance	Nutrition programs for zero- to five-year olds
Retirement	Labor force statistics	Income	Permanent	Numbers of persons	The elderly, especially from formal sector; those without family	Savings vehicles, labor-market that facilitates part-time employment	Pensions system

Table 17.2. Possible Means to Manage Risks

Outside SP	*SP measures*
Risk reduction	
• Macroeconomic policies • Public health, education, agricultural, and environmental policies • Resources allocation (human and financial) for providing quality basic social services to the poor • Provision of essential infrastructure • Regulated and supervised financial sectors • Institutions and judicial systems • Proper feeding and weaning practices • HIV prevention programs • Asset accumulation (land, livestock, financial)	• Measures to reduce risks of unemployment or underemployment and inadequate earnings • Standards to ensure basic health and safety at work • Appropriate disability policies to support inclusion of persons with disabilities • Measures to reduce harmful child labor • Measures against discrimination in employment • Vocational education and training programs that support human capital investment • Some community-level interventions through social funds, such as preventive health care and the accumulation of social capital through strengthening structures for community action • Infrastructure produced through public works
Risk mitigation	
• More formal kinds of portfolio diversification • Asset transfers • Development of savings mechanisms for the poor and vulnerable • Access to microcredit schemes • Protection of property rights • Provision of legal services that preempt the need for other SP programs by ensuring the provision of or improvement in key laws such as those pertaining to property rights and gender-neutral inheritance, and family law that prevents women and children from being left destitute by desertion, divorce, or death	• Insurance programs for unemployment, old age, disability, survivorship, and sickness • Pension systems appropriate to and effective in the country context • Market-based and informal community schemes that aim to reduce risk • Support for the development of strong levels of community social capital • Some types of social fund interventions, such as income diversification through microenterprise credit and access to education and training • Public works during seasons of slack labor demand to reduce seasonal variability of income
Risk coping	
• Selling real or financial assets • Borrowing from neighbors or banks • Migration	• Formal transfers or social assistance • Disaster relief programs • Price subsidies (for example, for food) • Public works as means to transfer income after a shock • Informal intracommunity transfers or charity

indicators in each of the three categories shown in box 17.3: exposure to risk, mechanisms to deal with vulnerability, and outcomes.

17.3 Step 2: Determine the Effectiveness of Individual SP Interventions

This section includes checklists that policymakers can use to determine the effectiveness of interventions for labor-market regulations, contribution-financed social insurance programs, and publicly financed safety net expenditure programs. Ideally, data from several sources would be available for this purpose, including budget and administrative statistics; expert opinion of officials and informed critics of the interventions; feedback from clients, in the form of beneficiary assessments or client-satisfaction surveys; household survey data to reveal targeting outcomes; and sophisticated analysis of survey data to quantify program impacts.

In practice, countries often have little of this information readily available, but a first round of decisions is needed based on the data that are already available or that can be assembled quickly. In these cases, policymakers should do their best to consider all the main factors suggested here, even though their conclusions may be tentative, based as they will be on imperfect data or on partial indicators under each factor. Policymakers should seek also to create mechanisms to ensure that adequate data will be available for ongoing or periodic future assessments of the effectiveness of interventions, so that

Box 17.3. Potential SP Indicators

Indicators of exposure to risk and vulnerability

- **Frequency of national or regional susceptibility to specific natural or weather-related shocks**
- **Index of chronic or transitory macroeconomic distress or poor macroeconomic performance (Country Policy Institutional Assessment-type indicator)**
- **Percentage of population affected by war, violence, crime, or ethnic or class tensions**
- **Prevalence of communicable diseases, such as AIDS, and alcoholism and drug addiction**
- **Percentage of disabled persons**
- **Percentage of single heads of household or divorce rates (this can also be an outcome)**
- **Percentage of orphans (may also be an outcome indicator)**
- **Percentage of elderly people**
- **Percentage of widows**

Indicators for mechanisms to deal with risk and vulnerability

- **Qualitative evaluation of effectiveness, efficiency, and coverage of country's SP system (poor, fair, good, excellent) within the context of country realities**
- **Qualitative evaluation of government commitment and capacity to help the poor manage risk (poor, fair, good, excellent)**
- **Percentage of poor and nonpoor covered by SP programs, and average levels of benefits, overall and by program (coverage and incidence)**
- **Public and private expenditures on different SP (or SP-related) programs**
- **Percentage of (poor) households receiving transfers (formal or informal), and average transfer amount**
- **Percentage of (poor) households with savings accounts, and average size of savings**
- **Percentage of (poor) households with multiple sources of income (farm/nonfarm, multiple jobs)**
- **Percentage of (poor) farmers using irrigation or planting several different crops**

Indicators of outcomes

- **Poverty headcount and depth, if possible disaggregated by rural/urban population and, ideally, by different potentially vulnerable groups, including the elderly and widows**
- **Levels of chronic versus transient poverty (again disaggregated, even approximately, for different, potentially vulnerable groups)**
- **Prevalence of seasonal hunger**
- **Distress sales of livestock or land**
- **Child malnutrition rates**
- **Unemployment rates and estimates of underemployment, capturing the level of formalization or informalization in the labor-market (by age and gender)**
- **Primary school dropout rate (for boys and girls)**
- **Incidence of child labor (percentage of children who work, based on age and gender)**
- **Hours worked by children**
- **Labor-market situation for vulnerable groups (youth, women)**
- **Estimated percentage of children or families left vulnerable or destitute as a result of communicable diseases (indicators for AIDS, for example, might include the number of infected, number of infirmities, and estimated number of orphans)**

subsequent rounds of decisionmaking are more firmly grounded in rigorous analysis (see chapter 1, "Poverty Measurement and Analysis," and chapter 3, "Monitoring and Evaluation," for guidance in that effort).

In assessing interventions, policymakers should consider all the important and pertinent policy, legal, and regulatory frameworks and publicly funded programs and private market-based or informal arrangements that provide social risk management (see box 17.4). The same sort of analysis should be applied to proposals for both new and reformed interventions. The treatment of public programs should be especially thorough because government directly finances these and can therefore most readily manipulate them.

Interventions may be operated out of various institutions—including ministries of labor, social security, education, health, housing, public service, and transport. State and local interventions may be important, and they may dwarf national or federal interventions in some sectors and countries. In many instances, NGOs or large donors sponsor programs outside government that are important parts of the

Box 17.4. Examples of SP Interventions

The interventions listed here are typical of those found in many countries. Not every country will have all of these interventions, nor should it—fragmentation may result in programs that are too small to accomplish much, and several interventions on this list are usually not cost effective. This is meant merely as a checklist to help the PRS team ensure that it has all of the relevant pieces of the puzzle.

Public programs and policies

- **Food-for-work or labor-intensive public works**
- **Social funds**
- **Agricultural input subsidies (prices or vouchers)**
- **Energy subsidies**
- **Food price subsidies**
- **Housing subsidies**
- **Food rations**
- **Food stamps**
- **School feeding programs**
- **School fee waivers or scholarships**
- **Family assistance**
- **Employment legislation, including hiring and firing rules (including severance), contracting for labor, minimum wages, and so forth**
- **Unemployment assistance**
- **Job search assistance**
- **Unemployment insurance**
- **Job retraining programs**
- **Integrated savings account**
- **Health insurance**
- **Needs-based cash social assistance**
- **Old age insurance, disability insurance, survivors insurance**
- **Noncontributory pension programs**
- **Regulatory framework for private pension programs**

Market-based risk management mechanisms

- **Savings or credit from commercial outlets or nongovernmental organizations (NGOs)**
- **Crop insurance**
- **Property insurance**
- **Private pension plans**
- **Private insurance for health, disability, and life**

Informal safety nets or transfers

- **Exchange of labor (for farming, construction, and so forth) between households**
- **Transfer of cash, food, and livestock between households**
- **Child fostering**
- **Reliance on children**
- **“Dis-saving”—selling assets, livestock, farm equipment and jewelry and drawing down savings**
- **Migration**
- **Tied labor**
- **Sharecropping**
- **Savings or insurance associations or societies, such as *roscas*, *tontines*, and burial societies**

SP system and that should be included in the overview. The analysis should not be limited to interventions that are meant to reach the poor explicitly; pensions for public employees are often a major SP expenditure, for example, and although they are unlikely to have much direct effect on poverty because they accrue largely to the nonpoor, they can be a significant use of budget resources and can have both a political and an opportunity cost that should be included in the analysis. Market and informal mechanisms should additionally be examined to see where comparative advantage lies and what gaps such mechanisms can fill, as well as to assess whether public interventions help or hinder their contribution to risk management.

This assessment of possible interventions can clearly be daunting and the PRS team will need to be pragmatic about setting a realistic agenda. The first step is to gain a broad overview of the full range of interventions. This need not be in great detail, and the team can choose a subset of interventions for more in-depth analysis. Programs that receive substantial budget allocations, policies or regulations that cause large distortions in the economy, and interventions that affect large groups of people or for which good evaluations are already available are obvious candidates for inclusion, as are smaller interventions that appear to address important, largely unmet needs. Once a triaged list of interventions is selected, the PRS team should quickly assess what existing analyses and data sources are available. They can then determine how ambitious to be in their analysis and where to focus any data collection efforts.

The tools for addressing regulatory, contribution-financed social insurance programs and publicly funded expenditure programs are somewhat different, and are each treated in turn in the following sections.

17.3.1 Analyzing labor regulations

By allocating labor to its most efficient use in the economy and encouraging employment and human capital investment, well-functioning labor-markets can contribute to long-term economic growth and poverty reduction. Moreover, sound labor-market policies and programs can reduce the risks associated with unemployment, lost income, and poor working conditions, and can help workers manage these risks when they do occur.

A labor-market policy framework includes both regulations and programs. The details of an appropriate framework, however, are not universal and vary from country to country depending on the country's stage of development, its history, and its culture.

Labor-market programs, such as unemployment benefits and training programs, can be evaluated like other SP programs in terms of cost-effectiveness (see section 17.3.3). However, it is generally not possible to do the same in the case of labor regulations, such as rules governing hiring and firing and antidiscrimination regulations. To evaluate labor regulations, policymakers need to answer three fundamental questions:

1. What regulatory interventions would be appropriate?
2. What would be the impact of interventions, including their enforcement, on the functioning of the labor-market?
3. What would be the impact of interventions on workers—especially on poor workers?

It is very difficult to attach a value to the benefits or costs of many labor regulations, and the challenge is complicated further by the fact that the key issue is not simply the regulations themselves but how they are enforced. While it may not be easy to answer these questions either definitively or quantitatively, the following steps may be undertaken in an attempt to understand the labor-market regulatory framework and its implications for poverty reduction.

Conduct an empirical overview of the labor-market

Sound monitoring and diagnosis of labor-market indicators is the first element of a labor-market analysis. This will assist in identifying the trouble spots where policymakers might choose to intervene, and the dimensions in which the labor-market is already functioning well.

Labor-market problems can take many forms, for example, high open unemployment, low earnings, or hardship focused on particular groups. Conducting an empirical overview requires the determination of key indicators that are disaggregated to assess their effects on the poor and other vulnerable groups, including groups defined in terms of gender and age. Some indicators that could be monitored include rates of labor force participation; unemployment, both short-term and long-term; employment; and underemployment; the level and distribution of earnings; productivity; and formal versus informal shares of employment.

It should, however, be noted that in many developing countries, indicators of labor-market problems are not straightforward. (An increase in open unemployment, for example, is not always a bad thing.) The poor cannot afford to be unemployed where there are few formal SP mechanisms in place, and consequently they are often compelled to take low-paying or inappropriate jobs rather than continue searching for a better position. While a rise in the open unemployment rate may mean that that jobs are harder to come by, it may also indicate that prosperity or better SP mechanisms are permitting longer job searches. Furthermore, the quantitative database is often limited. An ongoing policy objective should therefore be to assess the data situation, identify data needs, and take steps to improve the in-country capacity to monitor labor-market and other indicators. This can involve strengthening survey capacity as well as improving administrative data.

Qualitative indicators can also be important for monitoring purposes, both because quantitative data may not be available and because some key aspects of labor-market performance may not be amenable to capture by "hard" data. As an example of the latter, an important metric of labor conditions is the set of core labor standards (against child labor, forced labor, and discrimination and supporting freedom of association and collective bargaining) that have been agreed to internationally. An overview of the labor-market should include an assessment of how a country is performing relative to these standards. This can be important for diagnosis of labor policy needs.

Assess the role of regulations

Having identified key trouble spots through an empirical overview of the labor-market, the next step is to assess the role of regulations (or lack thereof) in determining the observed outcomes. Here, it is important to recognize that performance may or may not be due to labor-market regulations. For example, low formal employment rates can be due to a variety of factors, some of which, such as macroeconomic conditions, have little to do with labor policy. However, they may also be attributable to labor-market policies, such as high costs associated with the hiring and firing of workers. Careful analysis is required to disentangle the causes of what are often complex processes.

Assessing the impacts of regulations is important for determining where policymakers should focus attention. This is true for existing regulations that may be causing problems, such as high labor costs due to employment protection rules. It is also true for existing labor-market problems that may require regulation—for example, discrimination against women—where there are no effective regulations in place. Some of the regulatory areas that policymakers could examine include

- minimum wages;
- payroll taxes;
- rules governing the hiring and firing of workers;
- labor standards, such as hours of work, leave, and occupational health and safety; and
- regulations against gender and minority discrimination.

Evaluate the costs and benefits of labor regulations

Once the role of regulations has been assessed, the next step is to evaluate the costs and benefits of the various regulations that are thought to have a significant impact on poverty and growth. While the benefits and costs cannot be precisely calculated, it should be possible to assess whether benefits outweigh costs or vice versa, as well as what impact these regulations may have on poverty reduction. Questions that need to be answered include:

- What is the objective of the intervention?
- Are these appropriate objectives given the condition of the labor-market?
- Conceptually, what are the benefits and costs of this type of intervention?
- From international experience, what are the costs and benefits of this type of intervention?
- What is the empirical evidence of the costs and benefits of this intervention in the context of the country in question?

Assess options

Based on an assessment of the role of regulations and of the costs and benefits of those regulations that affect poverty and growth, the final step is to assess the options that policymakers should consider with respect to labor legislation and policies to ensure that they encourage growth in demand for labor.

17.3.2 Analyzing contribution-financed social insurance programs

One approach to protecting individuals against the risk of old age, disability, death of a family member, sickness, maternity, unemployment, or work injury is through the use of social insurance programs. These programs mitigate such risks by providing a source of income should the individual encounter one of these problems. Individuals contribute to the program while working, often with the employer, and in a few cases the government, making additional contributions. Sometimes funds are accumulated over time, but typically these are insufficient to cover the full expected future payments to insured workers.

Industrial countries typically have social insurance programs that are able to provide substantial risk mitigation for these particular risks and that involve only residual reliance on coping mechanisms. In a typical developing country, social insurance programs often are able to prevent high- and middle-income individuals from falling into poverty when faced with these risks but do not provide equivalent protection for the poor. There are a variety of reasons underlying such incomplete coverage, all of which stem to one degree or another from the difficulty of collecting contributions from the poor. It is only those who contribute that are entitled to protection through these programs, and the chronic poor who are employed in the informal sector, and who do not participate in contribution-financed social insurance programs, are thus excluded from them. Even where schemes exist for the informal sector, the chronic poor are often too poor to participate, have higher discount rates, or rely instead on public safety net programs.

Contributions-based social insurance programs often end up running deficits once they have matured, which become obligations of the government. Thus, not only do the poor not have access to these programs, but fiscal resources that might otherwise be used for social programs to help the poor mitigate or cope with risk are spent on propping up social insurance programs that benefit only the upper- and middle-income classes. Where the general tax revenue base (for example, through a value-added tax) is broader than that of social insurance, the situation is even worse, since taxes collected from the poor are thus used to pay benefits for the better off.

A basic first step in evaluating a social insurance system is to determine what percentage of the working-age population contributes to the system and what percentage of the vulnerable population, including the elderly, widows, and the disabled, receives benefits. Should the program be broad based, budgetary support from the government might be justified as poverty reducing. The U.S. social security system, for example, has a redistributive benefit structure and broad coverage, and is thus often credited as the nation's most effective poverty reduction program. In doing such an evaluation, the analyst should consider both current and future coverage trends. For example, in much of Eastern Europe, coverage rates among the elderly are high, perhaps justifying some level of budgetary support. Coverage rates among the working-age population are falling as people join the private sector, however, and evasion of contributory obligations is becoming easier; and in some cases, participation is now voluntary. This suggests that coverage rates among the vulnerable will be lower in the future and thus that budgetary support may not be justified in the long term.

Assuming that social insurance coverage is limited, as is typically the case in developing countries, the criteria used for evaluation include:

- ***Fiscal sustainability***. Is the insurance system designed to be financed strictly through contributions from the covered population and its employers in both the short term and long term?
- ***Adequacy of benefits.*** Are the benefits provided under the system adequate to prevent the covered population from falling into poverty? Are the benefits sufficient to provide incentives for contributing to the system, as compared to other means for mitigating these risks?

- ***Avoidance of crowding out.*** Are the benefits provided so generous that they crowd out or undermine other means of risk mitigation through informal or market means, where these are available?
- ***Avoidance of regressive redistribution.*** There is some element of redistribution, whether intentional or unintentional in all social insurance schemes. For example, in health insurance, premiums are often set as a percentage of salary. Where health outcomes are positively correlated with income—meaning that the wealthier would tend to require less health care—this would create a situation in which those who are in less need of the benefits contribute more and therefore the system would inherently incorporate some level of redistribution to the poor. On the other hand, higher-income workers tend to live longer than low-income workers and thus can expect to receive pensions for a longer period of time, raising their overall pension gains relative to low-income workers. Whether the redistribution is progressive or regressive needs to be examined.
- ***Avoidance of vulnerability-raising incentives.*** Encouraging women, for example, who on average live longer than men, to retire earlier on pensions that are often not fully indexed results in lower pensions that fall in relative value over the longer retirement period, thus raising the risk of female poverty in extreme old age. In another example, long duration unemployment benefits raise the risk of long periods of unemployment, which may jeopardize the beneficiary's return to normal employment.

17.3.3 Analyzing the effectiveness of expenditure programs

There are three aspects to program effectiveness: poverty objectives, outcomes or impacts, and cost-effectiveness in delivering the observed outcomes. Questions that should be answered in the analysis of each of these three aspects follow.

Poverty objectives of programs

Poverty reduction programs may have any of a wide range of specific objectives: for example, to reduce the poverty headcount, to raise wages, to shorten the "hungry" season, to improve access to health care, or to improve the voice of the clients in social programs. This range of objectives stems partly from the multidimensionality of poverty itself, and partly from the complex, and often difficult to measure, linkages between actions and their effect on a summary measure such as income poverty. In analyzing effectiveness, it is important to define the objectives of a program and to check that they are congruent with the poverty and risk diagnostics for the country.

Poverty outcomes from programs

There are two main questions to answer when analyzing the outcome of a poverty intervention:

1. Is the intervention helping to meet the poverty objective?
2. Have there been changes in the indicator toward the desired objective that can be reasonably attributed to the program?

There is seldom a good summary indicator of poverty impact, much less one that has an appropriate chain of causality. Analysts must therefore make do with proxy indicators that are likely to reflect or influence actual (unobserved) outcomes. For example, if the program reaches few people among the target group, or if it achieves only a small transfer, it can be inferred that its overall impact is likely to be small. The particular proxy indicators used may vary somewhat by intervention, and more so by the availability of data. It is also important to establish that the change in the indicator is due to the program and not to other influences. (For a more thorough treatment of outcome assessment, see chapter 3, "Monitoring and Evaluation.")

Cost-effectiveness of SP programs

Classic cost-effectiveness analysis results in comparable numbers for different program options aimed at the same indicator—for example, the cost per calorie delivered to the target group via general price subsidies, means-tested food stamps, or food rations given away at public health centers. A different technique should be applied here. Classic analysis is limited to cases where the specific outcome indicators are identical, but antipoverty programs may have a range of specific objectives, such as to increase caloric intake, decrease headcount, and lower unemployment rates. Moreover, the data required for a classic analysis are not likely to be available in quantitative form for all interventions to be evaluated. An analysis of several aspects of the programs—in particular, sustainability, targeting, administrative costs, institutional structure, unintended effects, and constraints—is more appropriate in this context. These factors can feed into the determination of a single summary indicator of cost-effectiveness of a program, but even should such a summary indicator not be used, judgments can still be made after systematically considering the information on each dimension for each program. Technical note N.2 contains fact sheets on the more common SP programs that summarize international experience and provide some benchmarks for comparison.

The questions included in this section were originally developed to evaluate public expenditure programs, but most can also be applied to the analysis of labor regulations and of contribution-based social insurance programs. Most of the checklist is also germane to the analysis of private sector provision of SP support, and most of the concepts also apply to informal private arrangements, although the costs may not be to the government but to the individuals in the network that provides the transfer or insurance. For market-based provision of pensions; of insurance for life, health, or property; or of savings vehicles, issues of coverage and constraints may be particularly relevant.

This diagnosis not only enables a summary judgment about which programs are more cost-effective than others, but also yields information about how each intervention might be made more effective; it thus provides insights into priorities for reform. A country might, for example, discover that in its public works program, only 20 percent of the costs are for unskilled labor, which is well below the international standard (see technical note N.2). A change in the labor intensity of the works financed would increase the income available to the poor in the short run.

Sustainability

- What is the cost of each program as a percentage of GDP?
- What is the budget or expenditure allocation to each SP program, as a percentage of total government expenditure and of SP expenditure?
- What is the source of financing for each program (external or internal)? Are funds earmarked? Are there issues of intergovernmental financial flows?
- Is this source of finance likely to shrink or to grow over time in concert with need?
- Is the program in conflict with existing policy, legal, or regulatory frameworks that could undermine its sustainability?
- What is the unit cost of the intervention (for example, to reduce the unemployment rate by 1 percentage point or to transfer $1.00 to the target group of a social assistance program)?

Targeting performance

- What percentage of targeted and nontargeted groups are covered by the program?
- What percentage of the transfer goes to poor and to nonpoor groups?
- What is the budget or expenditure allocation for each program by administrative unit, by rural or urban location, by ethnicity, by gender? How does this correspond to the distribution of poverty by these factors?

Administrative costs

- What is the administrative cost as a percentage of the total cost?
- Is it so high as to be unreasonable?
- Would additional spending allow significant improvement in some aspect of the program and thereby improve its impact significantly?
- How do these costs compare across programs?

Institutional structure

- Which ministries operate the programs and at what level (national, regional, community)?
- What type of institutional delivery mechanism is used by the program (direct government delivery, government contracts with NGOs or private sector, social fund)?
- Is the overall capacity (staff, equipment, transport, administrative budget, procedures, information systems) adequate to implement the program well?
- Are there issues of coordination between agencies or levels of government?
- Do the institutions and their agents have incentives to act in ways that ensure that the program is well implemented?
- Does the institutional delivery system facilitate proper targeting?
- Are systems adequate for participation or client voice?

Incentive effects

- What are the sources and potential magnitudes of unintended effects at the program level? (These may vary by type of program. For example, in a public works program that uses private contractors, local contractors or supervisors may cut workers' wages below the program wage to cover the costs of transporting workers to work sites or to maintain sleeping facilities at work sites.)
- What are the program's unintended effects at the household or individual level with respect to work incentives, fertility, and household formation? (When considering the effects on work incentives, the nature of the labor-market and the pattern of work of the poor in the country needs to be kept in mind.)
- What are the potential sources of household- or individual-level unintended effects (institutional delivery mechanisms, targeting mechanisms, level of transfer), and can they be minimized?
- What will be the likely impact on the level of private transfers and household coping arrangements?

Constraints

- Are there institutional, infrastructural, financial, or political constraints to effective program operation?
- Are there existing institutions to support operation of a new program? If not, can they be set up quickly?
- Do staff members have the appropriate skills and training to implement programs?
- Are there funds to implement the program?
- Is there political will to sustain the program?
- Are there aspects of the program that may be constrained by cultural considerations (for example, for some countries, women doing heavy labor on public work sites)?
- Do households face any constraints in receiving the benefits of the programs (high transport costs, overcrowding, long waiting periods to receive benefits, language barriers with service providers)?

After carrying out the analysis suggested in this section of the paper, the PRS team should have an idea of the strengths and weaknesses of each of the important SP interventions in the country.

17.4 Step 3: Adjust the Mix of Interventions as Needed

This section aims to help identify the combinations of interventions likely to be most effective in meeting poverty reduction objectives within a country's fiscal and administrative capacity. The information needed to do this includes the diagnosis of the general character of poverty in the country and the appropriate types of public actions to reduce poverty under those conditions, as derived in Step 1; the assessment of the cost-effectiveness of individual interventions, as derived in Step 2; judgments about the potential of different interventions (see the benchmarks provided in technical note N.2); and information on budget envelopes derived from other parts of the PRS exercise.

Using this information, PRS teams can construct a list of likely interventions to address the existing SP gaps and needs. The next step is to prioritize the potential interventions and determine the implications for existing programs or policies. This exercise will result in one or more proposals for a more appropriate mix of SP interventions. These proposals may differ from the status quo in one or more of the following ways: they may (a) change the budget envelope for SP interventions, (b) modify existing interventions to make them more effective or to change their purpose, (c) include new interventions, or (d) replace or remove existing interventions entirely (usually to reallocate fiscal or administrative resources to another intervention that is deemed more effective or that addresses a more important target group).

PRS teams will have to make their own informed judgments about the relative cost-effectiveness of different public actions for poverty reduction, considering both SP and non-SP interventions and the appropriate budget envelope for SP interventions.

A number of tools are available to help:

- Chapter 6, "Public Spending" offers some general guidance on thinking through some of these tradeoffs.
- The International Labour Organisation's Social Budget Model provides a computer-based tool to help work through how changes in one sort of SP mechanism may affect the need or budget for another.
- The World Bank's Pension Reform Option Simulation Toolkit (PROST) includes a tool for judging how different parameters in the pensions system will affect costs and outcomes.
- Technical note N.2 gives some information on the likely range of unit costs for different kinds of programs.

Often, it is helpful to modify existing SP interventions. In some cases, manageable changes in program rules or administration can markedly improve the effectiveness of the program. In these cases, the program should already be reasonably well suited to the poverty situation.

Introducing a new SP intervention is often tempting, especially when a major risk or cause of poverty may be going largely unaddressed. (The fact sheets in technical note N.2 give a summary assessment of which groups and circumstances are best served by each program reviewed.) Although there may be a prima facie justification for the program in such cases, the value of the new program with regard to other use of funds must be assessed.

It is tempting to establish a new program that addresses an issue that should have been addressed by other, poorly performing programs. Particular care must be taken in such situations. Sometimes it is appropriate to start new programs, as when small local programs cannot be scaled up without losing effectiveness, but in many cases, starting a new program rather than resolving an old one's flaws can prove costly in the long run. The forces that led to the need to reform the old program, or that made it difficult to reform, may over time affect the new program, leaving the country with two poorly performing programs. Moreover, neither program will have as much opportunity to achieve full economies of scale.

Replacing or removing existing interventions may be desirable if they are ineffective and cannot be feasibly modified or if they address lower-priority groups or risks. To make such a move palatable, it is usually necessary for a government to show that the funds (and sometimes staff and structures) will be used for some other intervention in support of a broadly similar goal.

In developing working proposals for the "best" set of SP interventions in a country, PRS teams must keep firmly in mind the reality of limited budgets and administrative capacity. These sometimes require harsh tradeoffs between SP and other poverty reduction interventions, such as transport or education, and, within SP, between SP programs intended to reduce or cope with risk and those that affect different target groups. The situation is further complicated and reform difficult when poorly designed or badly functioning social insurance programs already exist, because individual contributions to such programs carry with them some entitlement to future benefits.

There is little international consensus, either in the policy advisory community or among governments, on what share of a country's resources should be spent on SP programs or how to divide the resources among different SP programs. This is illustrated in table 17.3, which shows the regional averages and high and low country cases for social security and transfer-related government expenditure. The range overall is quite broad, and neither the poorest countries nor Organisation for Economic Co-operation and Development (OECD) countries can be said to be completely meeting the needs of the poor. The poorer countries do not spend enough to make their programs effective; in the countries with the highest expenditures, the need to contain or reduce SP expenditures is often a central element of the political and social policy dialogue.

Table 17.3. Expenditures on Social Security and Welfare

Region/country	*Percentage of GDP*
Sub-Saharan Africa	
Average	1.11
High (Guinea-Bissau)	1.94
Low (Liberia)	0.29
South Asia	
Average	2.31
High (Sri Lanka)	4.53
Low (Nepal)	0.08
East Asia and Pacific	
Average	4.40
High (Japan)	8.29
Low (Singapore)	0.51
Latin America and Caribbean	
Average	4.67
High (Chile)	8.69
Low (Haiti)	0.65
Middle East and North Africa	
Average	5.68
High (Israel)	10.51
Low (Bahrain)	0.85
Eastern and Central Europe	
Average	10.94
High (Poland)	21.35
Low (Turkey)	0.53
North America	
Average	11.19
High (United States)	14.12
Low (Canada)	8.26
Western Europe	
Average	12.34
High (Luxembourg)	19.32
Low (Iceland)	5.37

Source: Extracted from Besley, Burgess, and Rasul (2001).

The data in table 17.3 include expenditures in the following categories: social security affairs and services; sickness, maternity, or temporary disablement benefits; government employee pension schemes; old age, disability, or survivors benefits other than for government employees; unemployment compensation benefits; family and child allowances; other social assistance to persons; social security affairs not included elsewhere; welfare affairs and services; children's residential institutions; old persons' residential institutions; handicapped persons' welfare services; other residential services; and welfare services not delivered through residential institutions. Figures are unweighted averages across each of the regional groupings and are for central government.

In developing program and budget proposals, the political economy of change deserves particular attention. PRS teams must ask if there are groups or stakeholders who stand to either gain or lose from changes that are designed to make the intervention more cost-effective. What are the potential forms of loss that can be associated with these groups or stakeholders? Will compensating these groups ensure the political viability of the reform or the sustainability of the program or policy? What is the least costly way to compensate these groups? Is there public support or political will for the program or policy? (See technical note N.1.)

Policymakers must also consider whether any proposed change to the existing mix of programs would be limited by the same constraints and pitfalls that existing programs face (see box 17.5). Should policymakers find that the existing SP programs are the best that can be in the country, further attempts at reducing poverty would necessarily have to focus on non-SP programs and policies.

In evaluating proposed changes to SP programs and policies, the fundamental criterion should be the impact on poverty. Often, however, good estimates of this effect are not available before decisions on the changes must be made, obliging instead a fall back to other criteria that can be expected to contribute to poverty reduction. Cross-country experience suggests the following criteria, which are listed in the order they should be considered. The "best" program or policy change would satisfy the highest number of criteria (see Klugman 1999; World Bank 1999c ; Subbarao and others 1997; Grosh 1995; World Bank forthcoming):

- Is the potential mix of interventions suited to the context (characteristics of poverty and economic state—that is, crisis, postconflict, normal times, economic boom)?
- Is the net benefit or impact of the proposed intervention higher than for other options (existing interventions or modifications thereto) after netting out administrative costs, errors in targeting (of both exclusion and inclusion), costs to the participants (in particular, opportunity costs like forgone wages), and any behavioral changes induced?
- If there is an urgent and immediate need for the proposed change (crisis, postconflict, booming economy), can the intervention be rapidly scaled up or down while still maintaining reasonable quality?

Box 17.5. Common Pitfalls for SP Interventions

Several generic pitfalls have been found through experience to await a country's intended mix of SP interventions:

- **trying to cure the ills caused by poor policy choices, such as inappropriate macroeconomic structural policies;**
- **lack of coordination of the diverse policies, programs, and actors involved in SP interventions;**
- **having so many interventions that few will have adequate resources to operate efficiently, much less accomplish their objectives;**
- **missing the possible synergies and complementarities between programs—a failure that can lead to duplication or to missed economies of scale;**
- **expanding the intervention's coverage or benefit level without considering the design or implementation issues that could make the intervention more effective;**
- **focusing on the groups for which an intervention would have popular support but only a moderate correlation with poverty, for example, in some countries formal sector pensions may not reach the poor;**
- **concentrating attention on the formal sector when poverty is largely in the informal sector, or on urban occupations when poverty is largely linked to agricultural activities or residence in rural areas;**
- **failing to reach groups that may be highly correlated with poverty but that are outside the reach of traditional mechanisms or sympathies; for example, refugees, internally displaced persons, and ethnic minorities; and**
- **not taking into account the long-term impact when designing initial interventions.**

- Will the intervention prevent persistent or irreversible effects? For example, will it ensure that young children are nourished adequately, so that their future intelligence and health develop fully? Will it ensure that girls and boys remain in school so that their future earnings capacity is not reduced? Will it ensure that small farmers and entrepreneurs (both men and women) do not have to sell the assets (traction animals, tools, land) upon which their livelihoods depend?
- Will the intervention improve the balance of SP among different target groups (young children, the elderly, the unemployed, the working poor)?
- Is there are a match between institutional requirements of the proposed change and capacity within the country? If not, is there congruence between the proposed change and the potential for a realistic and timely buildup of capacity?
- Is the political economy of the intervention favorable? Will there be political support for the intervention sufficient to sustain its budget? Could public information or other campaigns help contribute to its attractiveness?
- If the intervention is targeted toward mitigating potential poverty rather than coping with existing poverty, is it fiscally self-sustainable or will it draw resources away from more directly poverty-focused programs?

17.5 Step 4: Develop an Action Plan

The purpose of an action plan is to ensure that medium-term and long-run goals are accomplished by making sure that the immediate and intermediate steps are taken. At a minimum, the plan should include details on (a) the steps required to get from the status quo to the goal, (b) the resources required, (c) the timetable, and (d) who is responsible for each action. It may also be useful to include other factors, such as how stakeholders will be consulted and indicators to monitor progress. Many of the issues that must be addressed in developing an action plan for the SP sector of a PRS are generic to action planning generally.

Often the plan will need to be developed iteratively. For example, a first, general version might include an entry such as "reform the public works program." A more detailed version should elaborate on subcomponents of the reform, such as "get an exemption from minimum wage law," "develop a poverty map," and "develop a manual of unit costs for tools and materials with suitable regional variations." A third version should detail the steps required to pass legislation or to gather the data for the unit cost manual. As successive levels of detail are added, inconsistencies between goals, resources, and timeframes may emerge. It is important to identify these so that they can be resolved. The different levels of detail are also useful for the different users of the plan. The policy matrix in the PRS and pamphlets for dissemination to the general public may reflect only broad goals and minimal detail, for example, but those who are actually implementing the plan will need much more detail if the work is to stay on track—especially where it is necessary to coordinate work among multiple offices. The detailed development of the plan is additionally an important way of verifying that the goals in the general version is actually achievable.

The resources required can be specified in several ways, with the one-time investment requirements and the annual recurrent costs specified separately. Each, however, will need to be squared with the respective budget envelopes (see chapter 6, "Public Spending").

It can be useful to specify in detail the administrative resources required (personnel, training, equipment, processes). Though their financial cost may be small relative to the benefits to be distributed in the program, it may take significant lead time to make them available, for example, if significant training is required, if new tasks are to be accomplished so that new staff must be hired or jobs redesigned, or if databases or administrative systems need to be built. Identifying the specific needs makes it possible to see what measures are required to meet them and what phasing of the whole program is possible.

Determining the total resources required to achieve a given improvement in an SP or poverty indicator is the hardest part of developing a PRS action plan. Ideally, prior impact evaluation and cost-effectiveness studies would be available to guide the magnitudes, but these usually are not available for most interventions and a good deal of guesswork will be required.

A timetable is important to help decisionmakers and task teams visualize how all the actions will come together. It is useful to specify in the timetable which actions can proceed in parallel and which must be in sequence.

Specifying who is responsible for each action can be particularly important for SP strategies, because SP interventions are carried out by so many actors. There is no single "head of sector," as, for example, a Ministry of Education is for all matters relating to education. Unless specified, it would be unclear, for example, who is in charge of cross-cutting actions such as "ensure that SP programs carry out impact evaluations at least once every five years." A single desk, usually in the planning, finance, or prime minister's office, may be assigned to monitor progress and provide technical assistance, but many agencies will have to carry out evaluations of their own program (see box 17.4). Furthermore, many single programs involve multiple actors, such as a central ministry, local offices, municipality, NGO, and grassroots groups. It is especially worth noting that donor agencies have a large role in some safety net programs and that they may have to take some actions to bring about the desired reforms. The assignment of responsibility in the action plan is meant to ensure that each and every action is carried out, with none omitted because the parties involved are unaware of their responsibilities. It may also reveal the complexity of the process or highlight potential synergies, wherein, for example, a common consultative process might be done jointly by several actors rather than separately by each.

17.6 Country Examples

This section summarizes three case studies: Argentina, Malawi, and Togo. Although these cases were not conducted as part of a PRSP and thus do not reflect the process that a PRSP would require, they do illustrate applications of the analytical approach outlined in this chapter. The objectives, constraints, and approaches of these case studies differ, but each provides insights with regard to the various methods that might be adopted in identifying vulnerable groups, risks, and potential programs and in prioritizing among these in different country contexts.

For purposes of illustration, each case has its own areas of strength, with different relevance for application in different low-income countries. Argentina provides a good example of a comprehensive approach, particularly with regard to the use of indicators. While the Argentinean programs may be more heavily weighted toward broad social insurance than would be appropriate in many low-income countries, the analysis used provides a valuable illustration of program evaluation under less than ideal circumstances. The Malawi case demonstrates good analysis of an ad hoc, donor-driven type of SP system in a poor country, in which a number of programs were analyzed in depth and an affordable SP strategy developed and proposed to be appropriate to the country context. Togo is included because of its focus on analyzing informal SP mechanisms that are important in most low-income countries. It also offers insight on the implications of the analysis of informal mechanisms for SP systems in poor countries.

The approach and conclusions of each of these studies is presented in the following subsections, with a final subsection (section 17.6.4) summarizing the state of the dialogue in each country, the data requirements, and the approximate timeframe for undertaking these studies.

17.6.1 Argentina

The Argentina case study draws on the work summarized in the World Bank report "Argentina: Managing Social Risks" (World Bank 2000b). The report diagnoses key social risks and vulnerable groups in Argentina, outlines a conceptual framework for managing social risk, analyzes current SP program coverage, and discusses the options, key issues, and general principles to follow in designing effective safety net programs.

It is generally less costly to prevent risk than to cope with its effects. In an upper-middle-income country such as Argentina, first best solutions should enable individuals and households to protect themselves through social insurance such as unemployment insurance or pensions rather than having to turn to government social assistance programs. This is reinforced by OECD experience that shows that social insurance plays a far larger role in reducing poverty than social assistance programs.

Country Context

About 29 percent of Argentina's population is classified as poor, and 17 percent of the poor live in rural areas. Between 8 and 12 percent of the total population live in rural areas. Although it has the highest per capita GDP in Latin America (US$9,000) and relatively high social sector expenditures (17.6 percent of GDP, or US$1,594 per capita, and 65 percent of total public expenditures), Argentina still has large pockets of poverty as a result of the highly unequal distribution of income and public resources. In addition, the social insurance system reinforces a dualistic labor-market that favors formal sector employees to the detriment of workers in the informal sector, where the poor are concentrated. The policy challenge is to find ways of improving the cost-effectiveness of existing programs and of dealing with the needs of those outside the large formal sector. The scope for reallocating funds within the social sector is limited, since roughly half of social spending is controlled by municipal and provincial governments, another third of expenditures is earmarked for federal pensions, and the remaining 20 percent finances basic sectoral programs such as education and health. This leaves targeted SP programs, which account for only 3.5 percent of total social sector spending and 0.6 percent of GDP, to respond to the large holes in coverage generated by the dualistic system.

Constraints and challenges

There were tight time constraints in this case. As a result, the analysis had to rely on available data to provide estimates of the degree of risk, its severity, and the vulnerable groups affected by these risks, as well as for estimates on program effectiveness. Poverty measures were derived from a semi-annual income–employment survey that covers 70 percent of the urban population. The 1997 national demographic survey, which covered 85 percent of the population (and excluded rural settlements of fewer than 2,000 inhabitants), was used for estimates on social indicators and social program incidence. Unfortunately, neither of these surveys covered the rural areas where most of the extreme poor are located and where the sources of risk are also likely to be different. Additionally, there was limited information available on the SP expenditures of provincial authorities, making it difficult to assess how much in total is actually allocated to SP interventions for the vulnerable.

Identifying sources of risk, vulnerable groups, and potential interventions

In diagnosing the key social risks and vulnerable groups, the population was classified by age group and the number of poor and very poor individuals estimated in each group. The main risks faced by each of these groups were then identified, along with the leading indicators of these risks. (The team that prepared the report noted that using age group classifications resulted in missing some key risk groups, such as indigenous populations, and risks that affect all poor, regardless of their age, such as housing. Distinguishing systematically by gender within each age group would have allowed a more detailed and accurate analysis.) Estimates for each indicator were given, where possible, and an estimate of what percentage of each group is covered by SP programs was made. Finally, the team identified possible measures to address gaps, classifying the measures according to which gaps they covered, based on the type of risks faced by each group. These measures were distinguished according to whether they prevent risk, mitigate risk, or facilitate coping with risk. The role of SP programs in complementing these various aspects of risk management was specified. Table 17.4 provides a summary of the results of this diagnosis.

Identifying the optimal mix of SP interventions

The team used rough estimates of the cost-effectiveness of existing programs, based on available data on national programs. The analysis focused on cost per beneficiary, under- and over-coverage rates, and targeting efficiency—that is, the percentage of the target group reached by the program and the percentage of beneficiaries who are poor. This analysis highlighted the fact that there is a complex array of more than 60 programs with overlapping objectives and target groups. It also pointed to programs that need to be scaled back and to programs for which targeting can be improved to increase coverage within current spending levels. The complexity of the array of programs is compounded by the fact that municipalities run many local programs that draw on either coparticipation funds from the federal level or their own resources. Hence, one recommendation of the report is to reduce overhead costs by moving toward a model in which provinces and municipalities would be responsible for administration and implementation under federal guidelines.

Based on the analysis of risks and vulnerable groups, the report identified both direct SP and non-SP areas that require change. A number of non-SP interventions were identified as essential to improving the SP system. These include better macroeconomic labor-market policies, to promote long-term increased demand for labor and reduce rigidities in the labor-market, and policies to improve the quality of education to raise earnings potential. The direct SP programs were prioritized according to the key risks that they address for each of the vulnerable age groups. Taking into account the fiscal constraints, recommendations were geared to making better use of funds rather than expanding the budget envelope. The emphasis was on improving the targeting of well-functioning programs and scaling back those programs that are not performing well.

17.6.2 Malawi

The situation in Malawi holds valuable lessons for other low-income countries, highlighting the ad hoc, donor-driven state of the safety net system in a low-income country and demonstrating how to evaluate, prioritize, rationalize, and move forward with reforms.

Country context

The challenges Malawi faces are typical in many ways of those that low-income countries face in providing safety nets. Using a poverty line of US$150 per year—less than 50 cents per day—65 percent of the population would be classified as poor. Furthermore, it is estimated that around 30 percent of the population is absolutely poor, surviving on less than 25 cents a day, and is prone to shocks such as drought and HIV/AIDS. The vast majority of the population is dependent on subsistence agriculture and has limited involvement in the cash economy or wage employment. Growth is unlikely to be rapid enough in the near or medium term to pull significant numbers of the poor out of poverty. Domestic revenue for redistributive transfer is very limited. The database is weak, making it difficult to identify and target the poorest; there is limited administrative capacity to manage complex programs; and there is a multitude of ad hoc and often inconsistent donor initiatives whose aggregate effect on reducing poverty is probably limited.

Constraints and challenges

The basic challenge in this context is to design a safety net system that is effectively targeted and delivers benefits as efficiently as possible. Most programs fall beyond the control of government, and the ability and willingness of donors to coordinate and collaborate at the overall strategy and program levels is critical. Data constraints are also a significant problem. The analysis in this case relied on data from a survey on income and consumption that was conducted in the early 1990s. A new, integrated household survey has since been completed and will be used to develop targeting mechanisms.

Identifying sources of risk, vulnerable groups, and potential interventions

The identification of vulnerable groups was based on the poverty analysis carried out in the early 1990s, underlining four groups most at risk: (1) rural households with small or no landholding; (2) female-headed households, especially those with a labor constraint; (3) AIDS orphans and their relatives (the extended families and communities who traditionally care for orphans are being overwhelmed because of the scale of the problem); and (4) those who cannot look after themselves and are not in households that can provide for them, including orphans, the disabled, the elderly, and the infirm. Table 17.5 summarizes the size of these various groups.

Table 17.4. Argentina: Risks by Age Group, Leading Indicators of Risks, and Potential Interventions

Age group/ poverty rates	*Main risks*	*Leading Indicators (value for lowest quintile)*	*Covering the gap with strategies of: Risk prevention*	*Risk coping*	*Role for other sectors*	*Role for SP*
0–5 Years 12% very poor 43% poor	Stunted development	Malnutrition, preschool program coverage (22%)	Increase coverage of ECD programs	Care of malnourished	PHC services, preschool education	ECDs
6–14 Years 13% very poor 45% poor	Poor education quality (low human capital development)	Late entry (8%), grade repetition (27%)	Reduce repetition, late entrance; raise quality	Remedial education	Improve primary school quality, improve secondary school access/quality	Scholarship/return-to-school incentive programs
15–24 Years 7% very poor 31% poor	Low human capital development (education quality/attainment), unemployment/low wages, inactivity (violence, substance abuse, and so forth)	Secondary school enrollment repetition (62%), unemployment (33%)	Raise secondary school enrollment, sex education, employment	Remedial education, scholarships/income support tied to school attendance, youth programs	Labor-intensive growth and labor-market reforms	Unemployment insurance, workfare/income transfers
25–64 Years 5% very poor 23% poor	Low income	Unemployment (23%), below-poverty earnings (underemployment)	Labor-intensive growth, flexible labor-market	Workfare program, income support; remedial education, targeted training/job search assistance		Social security (contributory pensions), noncontributory pensions (income transfer)
Over 65 Years 1.4% very poor 13% poor	Low income	Pension coverage rate (55%)	Increase coverage of SIJP system for future elderly	Increase coverage of noncontributory pensions	Provision of health services, mortgage facilities, and infrastructure investment	Health insurance, housing subsidies
General Population 7% indigent 29% poor	Poor health care; poor housing/lack of basic infrastructure	Health insurance coverage (35%), running water (66%), sewerage (53%), in flood-prone area (28%)	Health insurance, savings/mortgages, investment in water and sanitation provision, titling programs, relocation	Health care, housing subsidies		

Notes: Rates based on the 1998 *Encuesta Permanente de Hogares*, which covers 70 percent of the urban population. Surveys in two rural provinces estimate extreme poverty rates of at least 30 percent and poverty rates of about 75 percent (World Bank 2000b). Rates are calculated for the following age groups: 0–4-year olds, 5–14-year-olds, 15–24-year-olds, average of 25–39- and 40–64-year-olds, and over 65 years old. The unemployment rate is calculated for 15–64-year-olds.

Source: World Bank (2000b).

Table 17.5. Priority Vulnerable Groups and Potential Interventions in Malawi

Group (by order of priority)	*Estimated size*	*Proportion of the population*	*Potential interventions*
Those who cannot provide for themselves (the disabled, elderly, and infirm not supported by their community/family)	Not available	Not Available	Targeted direct transfers (perhaps through local communities)
AIDS orphans	500,000	5%	Targeted transfer program through NGOs/communities Nutrition supplementation for malnourished children
Female-headed households	2,700,000	27%	Targeted transfer program
Landless (with less than 0.2 hectare)	1,000,000	10%	Public work program Targeted starter pack (through voucher-for-work scheme) Targeted transfer program (perhaps through local communities)

Source: World Bank (1999).

The sources of risk in Malawi are closely linked to the agrarian nature of the economy—90 percent of the population lives in rural areas, mostly engaged in smallholder, rain-fed agriculture. Using information on food shortages, price changes, drought history, and macroeconomic trends, three major risks were identified: (1) the annual seasonal shock in food shortages and price increases, (2) periodic droughts, and (3) large periodic macroeconomic shocks. To these, the threat of HIV/AIDS has to be added: Malawi has one of the world's highest prevalence rates, with an estimated lifetime risk of dying of AIDS of about 45 percent.

Potential interventions were identified to address these problems, based on the above risks and vulnerable groups. Because of the seasonal nature of poverty in Malawi, the proposed interventions focus mostly on the four-month lean season, during which a large proportion of the population suffers severe nutritional stress. Targeting to specific households or vulnerable groups is difficult because of the lack of data, low administrative capacity, and political economy factors. These difficulties suggest that self-targeted programs or programs that use simple categorical or geographic targeting mechanisms (for example, targeting of malnourished children or AIDS orphans) would be best in this setting. Finally, the proposed bundle of interventions tried to focus, when possible, on productivity-enhancing mechanisms that can help alleviate extreme poverty in the longer run. The options considered for the different groups are summarized in table 17.5.

Identifying the optimal mix of SP interventions

A cost-effectiveness analysis of existing programs was conducted before the potential interventions were prioritized. This revealed that approximately US$65 million (for both donor and government programs) was spent on safety net programs during 1998–99, with relatively little expected sustained impact on poverty. About 42 percent of this was spent on agricultural starter packs, 30 percent on a maize subsidy, 15 percent on food distribution, 8 percent on public works, 3 percent on various food-for-work schemes, and 2 percent on school feeding programs. The analysis also estimated program costs, coverage, value of the transfer, and targeting efficiency of each of the major programs, along the lines outlined in section 17.3 of this chapter. Sensitivity analysis was also conducted, based on the estimated target populations for the proposed programs.

National budget constraints played an important role in the choice of interventions. The proposed approach aims to reach the poorest 25 percent of the population via self-targeting safety net programs for 15–20 percent of the population and a more substantial transfer for the bottom 5–10 percent. The transfers would be targeted first to the elderly, disabled, infirm, and orphans who are not in households or who are in very poor households; second, to labor-constrained female-headed households; third, to the rural landless; and fourth, to the urban poor and the rural poor with very small landholdings. The results from the cost-effectiveness analysis and identified risks and vulnerable groups, in conjunction with the need to focus on productivity-enhancing interventions, gave rise to the following specific programs for a safety net strategy in Malawi:

- ***Public works.*** Because programs need to enhance productivity while considering fiscal constraints, public works are identified as a key priority, given their risk-reducing benefits, their production of assets to improve productivity of the poor, and their self-targeting nature, which reduces administrative costs.
- ***Transfers*** for those orphans who cannot be supported by their communities or who live in very poor households. Targeting could be done by the community groups that work with AIDS sufferers and orphans.
- ***Nationwide nutrition program*** for malnourished children.
- ***Targeted cash transfers to the needy.*** Given the administrative and information constraints, transfers need as far as possible to be self-targeting. The targeting of starter packs and food subsidies is a politically sensitive issue, but cost calculations show that universal provision of these two programs is not fiscally sustainable and is therefore not recommended. Instead, national nutrition programs and targeted cash transfer programs are suggested.

Following a similar approach to that outlined earlier in this chapter, the proposed program mix—since adopted by the government of Malawi as its National Safety Net Strategy—includes an expansion and improvement of some of the existing programs (public works, nutrition program), the creation of new programs (orphan support scheme), and the elimination of some existing programs (starter pack and subsidies).

Many of the SP interventions in Malawi are likely to remain outside the government's direct control in the short term. The authorities have therefore decided to focus the activities of the newly created National Steering Committee of Safety Nets and its secretariat on developing targeting mechanisms, developing and disseminating best practices and lessons from past experience, analyzing the impact of existing programs, and playing a central role in the mobilization of resources and in the coordination of interventions. These activities should allow a progressive shift toward the objectives set in the National Safety Net Strategy while enhancing the effectiveness and relevance of specific interventions.

17.6.3 Togo

Bendokat and Tovo (1999) provides a description of the SP mechanisms applied within the constructs of a very poor country and attempts, within the limits of data availability, to assess the effectiveness of these mechanisms. The main points illustrated by the example of Togo are the identification and analysis of informal SP systems and the reforms that might be pursued to support them.

Country context

Togo has experienced a deterioration in living standards over the past decade, with real GDP per capita now 25 percent below its 1980 level. The government has been able to collect only around 15 percent of GDP in revenues, and only about 0.4 percent of the budget is dedicated to SP. As with Malawi, the SP system in Togo is woefully insufficient in coverage and effectiveness, and the provision of basic social services such as health and education has deteriorated from already low levels. People have retreated into kinship-based networks and patron–client networks, but even these traditional, informal SP mechanisms and systems have come under strain as society has become urbanized and exposed to persistent economic and political crisis. Exclusion from traditional support mechanisms is a sign of utter destitution. New, informal, grassroots solutions to risk management are emerging to try to fill the gap left by inadequate government basic services, but these efforts are typically small, fragmented, and require the increased coordination of a much wider range of stakeholders.

Constraints and challenges

A major policy challenge is the lack of data to quantify the degree of risks and vulnerability faced by poor groups and to assess existing interventions. However, qualitative methods and various sources can be drawn upon to determine the risks of most concern to various groups.

Identifying sources of risk, vulnerable groups, and potential interventions

In Togo, the approach was to review the different risks resulting from natural, social, economic, and political factors at the individual or household level, the community or regional level, and the national level. Given the multitude of risks, the analysis then prioritized and identified those risks that should receive particular attention, either because they are the most damaging or because they are not easily recognized and therefore are the most likely to be ignored. These include the death of a family member (loss of income, funeral costs, and traditional rituals imposed on surviving wives), failed crops and unemployment (loss of income and assets, deterioration in human capital), disease (loss of productivity and loss of assets to pay for treatments), environmental degradation (reduced productivity, incomes, and diversification potential), high fertility, gender discrimination (in the family, at school, and in access to services), and HIV/AIDS (death of breadwinners and increased number of orphans).

The analysis then identified and attempted to quantify vulnerable groups that are the most exposed to the identified risks or the least equipped to manage them. In the absence of comprehensive household data, these were identified through consultative processes, and the estimation of their size was based on a variety of sources, including a number of university-, ministry-, and NGO-specific studies, as well as information from the World Health Organization (WHO) and the Joint United Nations Programme on HIV/AIDS UNAIDS. It is recognized, however, that since some of these groups are heterogeneous, all members might not share a particular risk—for example, not all the elderly are abandoned, nor are all female-headed households poor—and that some individuals might fall into more than one category. Table 17.6 presents the main groups identified.

The Togolese rely on mostly informal arrangements and strategies, organized both by households and by local and international NGOs. The existing public sector activities take primarily the form of (a) information or education and regulation, (b) social security for a privileged few (a pension system catering to public servants and private sector employees—a total of around 5 percent of the population), (c) social assistance (mainly public works and regional social funds) for only 10 percent of those who are in theory eligible to receive it, and (d) basic health and education services. With the government finding it increasingly difficult to provide these basic services to its citizens, the private sector is filling some of the gaps with private schools, private clinics, and private insurance schemes. The contribution that these make is still extremely limited, however, and most of the gaps are filled by communities themselves, through informal arrangements relying on a variety of mechanisms, including marriage and well-structured, kinship-based reciprocity networks; rotating savings and credit associations; and socioprofessional or geographic-based associations.

Identifying the optimal mix of SP interventions

The analysis proposes a strategy that relies on the entire range of actors, according to their comparative advantages, and including NGOs, local institutions, and international agencies. The proposed interventions are summarized in table 17.6, corresponding to the risks identified. They concentrate on two areas:

- Preventing risks, in collaboration with other line ministries, the donor community, and local communities, through information and education campaigns, revised laws and regulations, and improved access to basic services.
- Strengthening existing, well-functioning informal mechanisms and filling the gaps currently not addressed by (a) supporting existing informal efforts (supporting NGO networks, disseminating information, facilitating communication, and supporting training); (b) discouraging ineffective or harmful arrangements such as widowhood rituals, female genital mutilation, or expensive traditional ceremonies, in collaboration with local leaders and NGOs; (c) stepping in for those with no access to informal arrangements, such as the very poor, children at risk, and the mentally ill;

(d) reforming existing pension programs; and (e) developing interventions in areas not covered, including interventions to discourage child labor and trafficking, and more efficient mechanisms for large-scale disaster relief.

17.6.4 Summary

None of the analyses reviewed in the preceding sections took place within a PRSP context (although that done for Malawi was an important input into the later Interim PRSP [I-PRSP])—they were instead selected for their coverage and quality. The teams in the three countries were faced with different challenges, some of which are typical of PRSP contexts. The data available upon which to undertake each analysis were different, and usually limited, and the approaches chosen in each study reflect these differences.

Immediate purpose and approach

In the Argentina case, a newly elected government was about to take office. As background for and input into the policy dialogue it expected to have with the incoming government, the Bank decided to undertake an analysis of the SP system. The initial process was thus less participatory than in the cases of Malawi or Togo or than would be the case in a PRSP. Nevertheless, it did include collaboration with a number of government ministries and agencies in gathering data and undertaking some of the analysis (the speed of the analysis and the use of only existing information was not atypical to that of an I-PRSP process). The dialogue is now underway with the new government. In Malawi, the analysis and dialogue on SP issues was developed more closely with the government. This dialogue has followed a substantial process of public consultation, including agreement on tentative priorities for target groups, and this study has thus relied on direct collaboration with the government and donors. In Togo, the process was launched with a workshop for key stakeholders from government and civil society to define SP in a way meaningful in the Togolese context, to take stock of available knowledge, and to assess formal and informal SP mechanisms. This was followed by short fieldwork to fill gaps in knowledge. The preliminary results of the analysis have been discussed at the Bank with key stakeholders who participated in the first workshop and with representatives of all sectoral ministries, and further fieldwork has followed.

Approach and data

All three case studies were hampered by data problems, requiring each of the three teams to apply common sense and broad assumptions to arrive at general magnitudes in their analysis. While the Argentina analysis was able to draw on a recent poverty assessment and a number of recent analyses of labor-market issues, the national household survey data did not include rural areas, where poverty is likely to be more severe and program coverage is likely to be lower. As a result, estimates of poverty rates and the identification of at-risk groups and their sources of vulnerability do not reflect conditions in rural areas, where an estimated one-sixth of the poor reside. In addition, little is known about coverage rates of existing social programs in rural areas or about SP expenditures by provinces. Government agencies were, however, able to provide information on the national budget and a matrix with a list of SP programs, their objectives, and their target populations (where available); the number of beneficiaries per year (where available); the annual program budget; and, on occasion, information on actual coverage and amount of transfer.

Data availability in Malawi was much more limited, with this analysis based on poverty data from 1992, updated to 1998 prices. As in Argentina, estimates of SP program expenditures, direct beneficiaries, coverage, and average transfer and benefits were based on information provided by various agencies, with varying degrees of accuracy and using bases that are not necessarily comparable with one another. A healthy dose of common sense and broad assumptions were therefore applied in undertaking the analysis, which relies on a general sense of the relative magnitudes and ranges with respect to the quantitative analysis.

Table 17.6. Priority Risks, Vulnerable Groups, and Potential Interventions in Togo

Risks	*Groups*	*Estimated size (and basis of estimate)*	*Interventions*
Most damaging risks			
• Death of a family member • Failed crops and unemployment • Disease • HIV/AIDS	• Members of female-headed households • The handicapped • The elderly • The unemployed • Displaced persons/refugees • The mentally ill	• 1,350,000 (African standard, 30% households) • 450,000 (WHO, 10% population) • 246,000 (6% population) • 600,000 (33% labor force) • 101,000 • 45,000 (African standard, 1% population)	• Support existing informal mechanisms • Develop disaster relief systems • Revised family law and land tenure • Discourage harmful/ineffective arrangements • Improved access to social services and infrastructure • Reform existing SP system • Measures to fill the gaps
	• HIV/AIDS victims and their families	• 170,000 (UNAIDS, plus 78,000 orphans)	• Information campaigns
	• School dropouts	• 309,000 (35% enrolled primary students)	• Improved access to social services and infrastructure
	• Children in difficult circumstances (street children, domestic servants, prostitutes, victims of trafficking, and so forth)	• 150,000 (80,000 girls)	• Improved access to social services • Campaigns, legislation, and measures to reduce household difficulties
General risks not easily recognized or likely to be ignored			
• High fertility			• Information campaigns • Improved access to education and contraception
• Environment degradation			• Information campaigns
• Gender discrimination			• Information campaigns • Discourage harmful/ineffective arrangements • Revised laws and regulations

Source: World Bank (1999b).

In Togo, the analysis built on work undertaken for the Poverty Assessment (with much of the background work having been undertaken in 1994 and before). It thus relied on a participatory process to define issues, fieldwork to test hypotheses and fill knowledge gaps, further consultation, and another short data-gathering phase. It also relied on a number of academic, ministry, and NGO studies on specific issues in Togo. To arrive at its orders of magnitude for estimates of different vulnerable groups, it used information from the WHO, UNAIDS, and other sources. It did not attempt to quantitatively evaluate existing SP programs.

Timeframes and costs

The timeframes for these studies and their costs were in large part determined by the amount of existing information and analysis. In Argentina, the team was able to draw from background analysis prepared for the Poverty Assessment, the adjustment operation on pensions, and the labor-market study. In Malawi, the team benefited from other donors financing local background work and from the inputs of some individual consultants. In Togo, the team was able to draw on analysis in the Poverty Assessment, which had already identified vulnerability factors and vulnerable groups. Generally speaking, the timeframe for these studies was around eight months to a year. The costs are difficult to express in a way transferable between countries because they consist primarily of analysts' time. The price of local analysts' time and whether task team members are hired and paid separately or seconded from participating institutions will vary from country to country.

References

Adams, R. 1998, October. "The Political Economy of the Food Subsidy System in Bangladesh." *Journal of Development Studies* 35(1):66–88.

Adato, M., B. de la Bière, D. Mindek, and A. Quisumbing. 2000. "The Impact of PROGRESA on Women's Status and Intra-Household Relations." Final Report. International Food Policy Research Institute, Washington, D.C.

Akin, John S., Nancy Birdsall, and David De Ferranti. 1987. *Financing Health Services in Developing Countries: An Agenda for Reform.* Washington D.C.: World Bank.

Alderman, Harold. 1991. "Food Subsides and the Poor." In G. Psacharopoulos ed., *Essays on Poverty, Equity, and Growth*. Oxford: Pergamon Press.

Alderman, Harold. 2001. "Price Subsidization." Social Protection Anchor Unit, World Bank, Washington, D.C. Processed.

Ali, Sonia and Richard Adams. 1996. "The Egyptian Food Subsidy System: Operation and Effects on Income Distribution." *World Development* 24(11):1,777–91.

Altonji, J. G., F. Hayashi, and L. Kotlikoff. 1996, April. "The Effect of Income and Wealth on Time and Money Transfers Between Parents and Children." Working Paper Series 5522. National Bureau of Economic Research, Cambridge, Mass.

Atkinson, A. 1995. "On Targeting Social Security: Theory and Western Experience with Family Benefits." In Dominique van de Walle and K. Nead, eds., *Public Spending and the Poor: Theory and Evidence*. Baltimore and London: Johns Hopkins University Press.

Banerjee, Abhijit, and Andrew Newman. 1996, May. "A Dual-Economy Model of Modernization and Development." Development Discussion Paper (U.S.) 531. Harvard Institute for International Development, Cambridge, Mass.

Barr, N. A. 1998. *The Economics of the Welfare State.* Oxford: Oxford University Press.

Barrientos, A. 1998. "Pension Reform, Personal Pensions and Gender Differences in Pension Coverage." *World Development* 26(1):125–37.

Becker, Gary S. 1981. *A Treatise on the Family.* Cambridge, Mass.: Harvard University Press.

Bendokat, Regina, and Maurizia Tovo. 1999. "A Social Protection Strategy for Togo." Social Protection Working Paper Series 9920. World Bank, Washington, D.C.

Besley, Timothy, Robin Burgess, and Imran Rasul. 2000. "How Much Should Governments Spend on Social Safety Nets?" Social Protection Anchor. World Bank, Washington, D.C. Processed

———. 2001. "Benchmarking Government Provision of Social Safety Nets" Social Protection Anchor. World Bank, Washington, D.C. Processed

Betcherman, Gordon, Amit Dar, Amy Luinstra, and Makoto Ogawa. 2000. "Active Labor Market Programs: Policy Issues for East Asia." Social Protection Discussion Paper 0005. World Bank, Washington, D.C.

Bigio, Anthony G. 1998. "Social Funds and Reaching the Poor: Experiences and Future Directions." Economic Development Institute, World Bank, Washington, D.C.

Braithwaite, J., C. Grootaert, and B. Milanovic. 2000. *Poverty and Social Assistance in Transition Countries.* New York: St Martin's Press.

Campbell, T., G. Petersen, and J. Bazark. 1991. "Decentralization to Local Government in LAC: National Strategies and Local Response in Planning, Spending, and Management." LAC Regional Studies Program Report 5. Latin America and the Caribbean Technical Department, World Bank, Washington, D.C.

Castañeda, Tarsicio. 1999. "The Design, Implementation, and Impact of Food Stamp Programs in Developing Countries." Food Policy Thematic Group, World Bank, Washington, D.C.

Celedon, C, C. Espinosa, and R. Bitran. 2001. "Fee Waivering in Health and Education." Social Protection Anchor Unit, World Bank, Washington. D.C. Processed.

Chen, Marty, and Jean Dreze. 1995, September. "Workshop and Conference Report: Recent Research on Windows in India." *Economic and Political Weekly* 30:2,435–50.

Coate, Stephen, and Martin Ravallion. 1993. "Reciprocity Without Commitment: Characterization and Performance of Informal Insurance Arrangements." *Journal of Development Economics* 40:1–24.

Conning, J., and M. Kevane. 2001. "Community-Based Targeting Mechanisms for Social Safety Nets." Social Protection Discussion Paper 0102. World Bank, Washington, D.C.

Cox, Donald, Alejandra Edwards, and Chris Manning. 1999. "The Economics of Employment Protection and Unemployment Insurance Schemes: Reflections on Policy Options for Thailand, Malaysia, the Philippines and Indonesia." World Bank, Washington, D.C. Processed.

Cox, Donald, Zekeriya Eser, and Emmanuel Jimenez. 1995. "Family Safety Nets During Economic Transition: A Study of Interhousehold Transfers in Russia." Development Research Group, World Bank, Washington, D.C.

Cox, Donald, and Emmanuel Jimenez. 1989. "Private Transfers and Public Policy in Developing Countries: A Case Study for Peru." Policy, Planning, and Research Working Paper Series 345, World Bank, Washington, D.C.

——— 1993. "Private Transfers and the Effectiveness of Public Income Redistribution in the Philippines." In Dominique van de Walle and K. Nead, eds., *Public Spending and the Poor: Theory and Evidence.* Baltimore and London: Johns Hopkins University Press.

———. 1997. "Coping with Apartheid: Inter-Household Transfers over the Life-Cycle in South Africa." Draft. Boston College and World Bank, Washington, D.C.

Cox, Donald, Emmanuel Jimenez, and John Jordan. 1994. "Family Safety Nets and Economic Transition: A Study of Private Transfers in Kyrgyzstan." Development Research Group, World Bank, Washington, D.C.

Cox, Donald, and Frederic Raines. 1985. "Interfamily Transfers and Income Redistribution." In Martin David and Timothy Smeeding, eds., *Horizontal Equity, Uncertainty, and Economic Well-Being*. Chicago: University of Chicago Press.

Czukas, K., M. Fafchamps, and C. Udry. 1998, April. "Drought and Saving in West Africa: Are Livestock a Buffer Stock?" *Journal of Development Economics* 55:273–305.

Dar, A., and I. Gill. 1998. "Evaluating Retraining Programs in OECD Countries: Lessons Learned." *World Bank Research Observer* 13(1):79–102.

Dar, A., and Z. Tzannatos. 1999. "Active Labor-market Programs: A Review of the Evidence from Evaluations." Social Protection Discussion Paper Series 9901, World Bank, Washington D.C.

Datt, G., and M. Ravallion. 1994, November. "Transfer Benefits from Public-Works Employment: Evidence for Rural India." *Economic Journal* 104:1346–69.

Datt, Gaurav. 1994. "Poverty Alleviation Through Rural Public Works: The Experience of Maharashtra's Employment Guarantee Scheme." *Indian Journal of Labour Economics* 37 (4)):659–65.

Deaton, Angus. 1992. *Understanding Consumption.* Oxford: Clarendon Press.

Del Rosso, J. 1999. "School Feeding Programs: Improving Effectiveness and Increasing the Benefit to Education: A Guide for Program Managers." Health, Nutrition, and Population Anchor, World Bank, Washington, D.C. Processed.

Del Rosso, J. M., and T. Marek. 1996. "Class Action: Improving School Performance in the Developing World through Better Health and Nutrition." *Directions in Development*. World Bank, Washington, D.C.

Dercon, S., and P. Krishnan. 2000. "In Sickness and in Health: Risk Sharing within Households in Rural Ethiopia." *Journal of Political Economy* 108(4):688–727.

Dia, M. 1996. *Africa's Management in the 1990s and Beyond: Reconciling Indigenous and Transplanted Institutions.* Washington, D.C.: World Bank.

Duflo, Esther. 2000, November. "Grandmothers and Granddaughters: Old Age Pension and Intra-Household Allocation in South Africa." Massachusetts Institute of Technology, Cambridge, Mass.

Edirisinghe, Neville. 1987. "The Food Stamp Scheme in Sri Lanka: Costs, Benefits, and Options for Modification." Research Report 58. International Food Policy Research Institute, Washington, D.C.

Edwards, C. A. 2000. "Pension Projections for Chilean Men and Women: Estimates from Social Security Contributions." Gender Policy Research Paper, World Bank, Washington, D.C.

Edwards, M. 1990. "Rental Housing and the Urban Poor: Africa and Latin America Compared." In P. Amis and P. Lloyd, eds., *Housing Africa's Urban Poor*. Manchester, U.K.: Manchester University Press.

Elwan, Ann .1999. "Poverty and Disability: A Background Paper for the World Development Report." Social Protection Unit, Human Development Network, World Bank, Washington, D.C. Processed.

Ezemenari, K., and K. Subbarao. 1997. "Social Assistance and Poverty Targeted Programs: A Toolkit for Sub-Saharan Africa." Poverty Reduction and Economic Management Network, World Bank, Washington, D.C.

Ezemenari, Kene. 1999. "Linking Food Transfers to Nutrition Services in India: Implications from International Experience." Draft. Poverty Reduction and Economic Management Network, World Bank, Washington, D.C.

Ezemenari, K., C. Chaudhury, and J. Owens. 2001. "Gender and Risk in the Design of Social Protection Interventions." World Bank, Washington, D.C. Processed.

Fafchamps, Marcel. 1991. "Solidarity Networks in Preindustrial Societies: Rational Peasants with a Moral Economy." *Economic Development and Cultural Change* 41(1):147–76.

Fay, R. 1996. "Enhancing the Effectiveness of Active Labour Market Policies: Evidence from Program Evaluations in OECD Countries." OECD Labor-market and Social Policy Occasional Paper 18. Paris.

Finegan, T. A., and R. A. Margo. 1994, March. "Work Relief and the Labor Force Participation of Married Women in 1940." *Journal of Economic History* 54(1):64–84.

Fretwell, D., and S. Goldberg. 1994. "Developing Effective Employment Services." In *Equity, Efficiency, and Adjustment in Labor-markets.* Discussion Paper 208, World Bank, Washington, D.C.

Frigenti, Laura, and Alberto Harth. 1998. "Local Solutions to Regional Problems: The Growth of Social Funds and Public Works and Employment Projects in Sub-Saharan Africa." Water and Urban 2 and Institutional and Social Policy Divisions, Africa Region, World Bank, Washington, D.C.

Gale, William G., and John Karl Scholz. 1994. "Intergenerational Transfers and the Accumulation of Wealth." *Journal of Economic Perspectives* 8:145–60.

Gelbach, Jonah B., and Lant H. Pritchett. 1995. "Does More for the Poor Mean Less for the Poor?" Policy Research Department, World Bank, Washington D.C.:

Gill, I., F. Fluitman, and A. Dar, eds. Forthcoming. *Vocational Education and Training Reform: Matching Markets and Budgets.* Oxford: Oxford University Press.

Gillespie, Stuart. 1999. "Supplementary Feeding for Women and Young Children." Nutrition Toolkit Module 5, World Bank, Washington, D.C.

Ginneken, Wouter van. 1996. *Finding the Balance: Financing and Coverage of Social Protection in Europe.* Geneva: International Social Security Association.

Goldstein, M. 1999. "Chop Time, No Friends: Intrahousehold and Individual Insurance Mechanisms in Southern Ghana." Economic Growth Center, Yale University, New Haven, Conn. Processed.

Goodman, Margaret, Samuel Morely, Gabriel Siri, and Elaine Zuckerman. 1997. *Social Investment Funds in Latin America: Past Performance and Future Role.* Washington, D.C.: Inter-American Development Bank.

Government of Indonesia. 1998. *Program Implementation Plan (PIP): Scholarship and Block Grant Program for Primary and Secondary Schools.* Jakarta.

Graham, Carol. 1994. *Safety Nets, Politics, and the Poor: Transitions to Market Economies.* Washington, D.C.: Brookings Institution.

Grootaert, Christiaan. 1997. "Poverty and Social Transfers in Hungary." Policy Research Working Paper 1770. World Bank, Washington, D.C.

Grosh, Margaret. 1992. "The Jamaican Food Stamps Program: A Case Study in Targeting." *Food Policy* 17(1):23–40.

———. 1994. "Administering Targeted Social Programs in Latin America: From Platitudes to Practice." World Bank, Washington, D.C.

———. 1995. "Five Criteria for Choosing Among Poverty Programs." In Nora Lustig, ed., *Coping with Austerity: Poverty and Inequality in Latin America.* Washington, D.C.: Brookings Institution.

Haddad, L. 1999. "The Income Earned by Women: Impacts on Welfare Outcomes." *Agricultural Economics* 20:135–41.

Haggard, Stephan, and Steven Webb. 1993. "What Do We Know About the Political Economy of Economic Reform?" *World Bank Research Observer* 8:143–68.

Hamermesh, Daniel S. 1992. "Unemployment Insurance for Developing Countries." Policy Research Working Paper 0897, World Bank, Washington, D.C.

Hoff, Karla. 1997. *Informal Insurance and the Poverty Trap*. Draft. University of Maryland, College Park, Md.

Holzmann, R., and S. Jorgensen. 1999. "Social Risk Management: A New Conceptual Framework for Social Protection and Beyond." Social Protection Anchor, World Bank, Washington, D.C.

Hopkins, J., Carol Levin, and L. Haddad. 1994, December. "Women's Income and Household Expenditure Patterns: Gender or Flow? Evidence from Niger." *American Journal of Agricultural Economics* 76:1219–25.

Horton, Susan. 1993, June. "Cost Analysis of Feeding and Food Subsidy Programs." *Food Policy* 18:192–99.

Horton, Susan, and Dipak Mazumdar. 1999. "Vulnerable Groups and the Labor-market: The Aftermath of the Asian Crisis." Department of Economics, University of Toronto. Processed.

Jalan, Jyotsna, and Martin Ravallion. 1998. *Transfer Benefits from Workfare: A Matching Estimate for Argentina's Trabajar Program.* Washington, D.C.: World Bank.

Jensen, Robert. 1996. "Public Transfers, Private Transfers, and the Crowding Out Hypothesis: Theory and Evidence from South Africa." Draft. Princeton University, Princeton, N.J.

Karni, Edi. 1999. "Optimal Unemployment Insurance: A Guide to the Literature." Social Protection Discussion Paper 9906, World Bank, Washington, D.C.

Klugman, Jeni. 1999. "The Poverty Impact of Government Safety Nets During Recent Periods of Economic Crisis." Draft. Poverty Reduction and Economic Management Network, World Bank, Washington, D.C.

Knowles, J. C., and Richard Anker. 1981, April. "An Analysis of Income Transfers in a Developing Country: The Case of Kenya." *Journal of Development Economics* 8:205–26.

La Ferrara, Eliana. 1997. "Ethnicity and Reciprocity: An Analysis of Credit Transactions in Ghana." Draft. Harvard University, Cambridge, Mass.

Lazear, Edward P. 1990. "Job Security Provisions and Employment." *Quarterly Journal of Economics* 105(3):699–726.

Legovini, Arianna, and Ferdinando Regalia. 2000. "Targeted Human Development Programs: Investing in the Next Generation." Sustainable Development Department, Poverty and Inequality Advisory Unit. InterAmerican Development Bank, Washington, D.C. Processed.

Leigh, D. 1995. "Assisting Workers Displaced by Structural Change: An International Perspective." W. E. Upjohn Institute for Employment Research, Kalamazoo, Mich.

Lokshin, Michael. 2000. "Effects of Child Care Prices on Women's Labor Force Participation in Russia." Policy Research Report on Gender and Development. Working Paper Series 10, DRG/PREM Network. World Bank, Washington, D.C.

Lokshin, Michael M., Elena Glinskaya, and Marito Garcia. 2000. "The Effect of Early Childhood Development Programs on Women's Labor Force Participation and Other Children's Schooling in Kenya." Policy Research Report on Gender and Development. Working Paper Series 15, DRG/PREM Network. World Bank, Washington, D.C.

Lovei, L., E. Gurenko, M. Haney, P. O'Keefe, and M. Shkaratan. 2000. "Maintaining Utility Services for the Poor: Policies and Practices in Central and Eastern Europe and the Former Soviet Union." World Bank, Washington, D.C. Processed.

Lundberg, S., Robert Pollak, and T. Wales. 1997. "Do Husbands and Wives Pool Their Resources? Evidence from the U.K. Child Benefit." *Journal of Human Resources* 32(3):463–81.

Mabbett, Deborah. 1996. "Social Insurance in the Transition to a Market Economy: Theoretical Issues with Application to Moldova." Policy Research Working Paper 1588. World Bank, Washington, D.C.

MacDonald, Maurice. 1989. "Family Background, the Life-Cycle, and Inter-Household Transfers." NSFH Working Paper 13. Center for Demography and Ecology, University of Wisconsin-Madison. Madison, Wis.

Malpezzi, S. 1990. "Malaysia: Getting Housing Incentives Right." *Infrastructure Notes.* Washington, D.C.: World Bank.

Malpezzi, S., and G. Ball. 1991. "Rent Control in Developing Countries." World Bank Discussion Paper 129, World Bank, Washington, D.C.

Martin, Elmer P., and Joanne Mitchell Martin. 1978. *The Black Extended Family.* Chicago: University of Chicago Press.

Mateus, A. 1983. "Targeting Food Subsidies for the Needy: The Use of Cost-Benefit Analysis and Institutional Design." Staff Working Paper 617, World Bank, Washington, D.C.

Mayo. S. 1999. "Subsidies in Housing" Technical Paper Series, Sustainable Development Division, Inter-American Development Bank, Washington, D.C.

Milanovic, B. 1995. "The Distributional Impact of Cash and In-Kind Transfers in Eastern Europe and Russia." In Dominique van de Walle and K. Nead, eds., *Public Spending and the Poor: Theory and Evidenc.*. Baltimore and London: Johns Hopkins University Press.

———. 1998. "Income, Inequality and Poverty During the Transition." Draft. World Bank, Washington, D.C.

Moojj, Jos. 1999. "Real Targeting: The Case of Food Distribution in India." *Food Policy* (24):49–69.

Moon, Marilyn. 1983. "The Role of the Family in the Economic Well-Being of the Elderly." *Gerontologist* 23(1):45–50.

Morduch, Jonathan. 1994, May. "Poverty and Vulnerability." *American Economic Review* 84:221–25.

———. 1999. "Between the State and the Market: Can Informal Insurance Patch the Safety Net?" *World Bank Research Observer* 14(2):187–207.

Morley, Samuel, Gabriel Siri, and Elaine Zuckerman. 1997. *Social Investment Funds in Latin America, Past Performance and Future Role.* Washington, D.C.: InterAmerican Development Bank.

OECD. 1998. *Benefit Systems and Work Incentives.* Paris: OECD.

——— 1999. "On Informal Insurance: Between the Market and the State." *World Bank Research Observer* 14(2):187–207.

———. 1999. *Employment Outlook.* Paris: OECD.

Osborn, D., and T. Gaebler. 1992. *Reinventing Government: How the Entrepreneurial Spirit Is Transforming the Public Sector from Schoolhouse to Statehouse, City Hall to the Pentagon.* Reading, Mass.: Addison-Wesley.

Platteau, Jean-Philippe. 1991. "Traditional Systems of Social Security and Hunger Insurance." In E. Ahmad, J. Dreze, J. Hills, and A. Sen, eds., *Social Security in Developing Countries*. Oxford: Clarendon Press.

———. 1996, June. "Traditional Sharing Norms as an Obstacle to Economic Growth in Tribal Society." Manuscript.

Radhakrishna, R., and K. Subbarao. 1997. "India's Public Distribution System: A National and International Experience." Working Paper 380, World Bank, Washington, D.C.

Ravallion, Martin. 1990. "Reaching the Poor Through Rural Public Employment: A Survey of Theory and Evidence." Discussion Paper 94, World Bank, Washington, D.C.

——— 1998. "Appraising Workfare Programs." Policy Research Working Paper 1955, World Bank, Washington, D.C.

Ravallion, Martin, and Gaurav Datt. 1995. "Is Targeting through a Work Requirement Efficient? Some Evidence for Rural India." In Dominique van de Walle and K. Nead, eds., *Public Spending and the Poor: Theory and Evidence*. Baltimore and London: Johns Hopkins University Press.

Ravallion, Martin, Gaurav Datt, and Shubham Chaudhuri. 1993. "Does Maharashtra's Employment Guarantee Scheme Guarantee Employment? Effects of the 1988 Wage Increase." *Economic Development and Cultural Change* 41:251–275.

Rawlings, Laura, Lynne Sherburne-Benz, and Julie van Domelen. 2001. "Letting Communities Take the Lead: A Cross-Country Evaluation of Social Fund Performance." Social Protection Anchor. World Bank, Washington, D.C. Processed.

Reardon, T., C. Delgado, and P. Matlon. 1992, January. "Determinants and Effects of Income Diversification amongst Farm Households in Burkina Faso." *Journal of Development Studies* 28:264–96.

Rogers, B., and J. Coates. 2001. "Food-Based Safety Nets and Related Programs." Social Protection Anchor Unit, World Bank, Washington, D.C. Processed.

Rosenzweig, Mark. 1998. "Risk, Private Information, and the Family." *American Economic Review, Papers and Proceedings* (U.S.) 78(5):245–50.

Rosenzweig, Mark R., and Kenneth I. Wolpin. 1990. "Intergenerational Support and the Life-Cycle Incomes of Parents and Children: Co-Residence and Intergenerational Financial Transfers." University of Pennsylvania, Philadelphia, Pa. Processed.

Ruppert, Elizabeth. 1996. "Unemployment Insurance in Algeria: Implications for a Labor-market in Transition." Policy Research Working Paper 1659, World Bank, Washington, D.C.

Sahn, D., and H. Alderman. 1995. "Incentive Effects on Labor Supply of Sri Lanka's Rice Subsidy." In Dominique van de Walle and K. Nead, eds., *Public Spending and the Poor: Theory and Evidence*. Baltimore and London: Johns Hopkins University Press.

Salmen, Lawrence. 1990. "Institutional Dimensions of Poverty Reduction." Working Paper Series 441. Policy, Research, and External Affairs, Country Economics Department, World Bank, Washington, D.C.

Schady, N. 1999. "Seeking Votes: The Political Economy of Expenditures by the Peruvian Social Fund (FONCODES), 1991–95." Policy Research Working Paper 2166, World Bank, Washington, D.C.

Schieber, G., ed. 1997, March 10–11. *Innovations in Health Care Financing.* Proceedings of a World Bank Conference. Washington, D.C.: World Bank.

Schmid. G., C. Buchtemann, J. O'Reilly, and K. Schomann. 1996. *International Handbook of Labor-market Policy and Evaluation.* Cheltenham, U.K.: Edward Elgar Press.

Schoeni, Robert F. 1993, July. "Private Inter-household Transfers of Money and Time: New Empirical Evidence." RAND Working Paper Series 93-26. RAND, Santa Monica, Calif.

Sedlacek, Guilherme, Nadeem Ilahi, and Emily Gustafsson-Wright. 2000. "Targeted Conditional Transfer Program in America: An Early Survey." Human Development Department. World Bank, Washington, D.C. Processed.

Silverstein, Merril, and Linda J. Waite. 1993. "Are Blacks More Likely than Whites to Receive and Provide Social Support in Middle and Old Age? Yes, No and Maybe So." *Journal of Gerontology: Social Science* 48:S212–22.

Stack, Carol B. 1975. *All Our Kin: Strategies for Survival in a Black Community.* New York: Harper Colophon Books.

STAKES (National Research and Development Center for Welfare and Health). 1996. *The Disability Dimension in Development Action: Manual for Inclusive Planning.* New York: United Nations.

Stark, O. J., Edward Taylor, and Shlomo Yitzhaki. 1988, May. "Migration, Remittances, and Inequality: A Sensitivity Analysis Using the Extended Gini Index." *Journal of Development Studies* 28:309–22.

Subbarao, K. 1997. "Public Works as an Anti-Poverty Program: An Overview of Cross-Country Experience." *American Journal of Agricultural Economics* 79:678–83.

———. 1998. "Namibia's Social Safety Net." Policy Research Working Paper 1996, World Bank, Washington, D.C.

———. 2001. "Public Works Programs." Social Protection Anchor Unit, World Bank, Washington, D.C. Processed.

Subbarao, K., A. U. Ahmed, and T. Teklu. 1996. "Selected Social Safety Net Programs in the Philippines." Discussion Paper 317, World Bank, Washington, D.C.

Subbarao, K., Aniruddha Bonnerjee, Jeanine Braithwaite, Soniya Carvalho, Kene Ezemenari, Carol Graham, and Alan Thompson. 1997. *Safety Net Programs and Poverty Reduction.* Washington, D.C.: World Bank.

Tabor, S. 2001. "Direct Cash Transfers." Social Protection Anchor Unit, World Bank, Washington, D.C. Processed.

Tanzi, Vito. 1992, December. "Social Safety Nets in Economic Reform." Draft Board Paper on Social Safety Nets. International Monetary Fund, Washington, D.C.

Tipple, A. G., and K. G. Willis, eds. 1991. *Housing the Poor in the Developing World: Methods of Analysis, Case Studies and Policy*. London: Routledge.

U.S. Social Security Administration. 1999. *Social Security Programs Throughout the World: 1999.* Washington, D.C.: Social Security Administration.

Vittas, Dimitri. 1993. "Options for Pension Reform in Tunisia." Policy Research Paper 1154, World Bank, Washington, D.C.

Webb, P., J. von Braun, and Y. Yohannes. 1992. "Famine in Ethiopia: Policy Implications of Coping Failure at National and Household Levels." Research Report 92, International Food Policy Research Institute, Washington, D.C.

Wilson, Sandra, and Arvil Van Adams. 1994. "Self-Employment for the Unemployed: Experience in OECD and Transitional Economies." Discussion Paper WDP 263, World Bank, Washington, D.C.

World Bank. 1993a. "Housing: Enabling Markets to Work." Policy Paper, World Bank, Washington, D.C.

———. 1993b. "Republic of Tunisia: The Social Protection System." Report 11376-TUN. Country Operations Division, Country Department I, Middle East and North Africa Region, World Bank, Washington, D.C.

———. 1993c. *World Development Report 1993: Investing in Health.* New York: Oxford University Press.

———. 1994. *Averting the Old Age Crisis.* New York: Oxford University Press.

———. 1995a. "Republic of Tunisia: From Universal Food Subsidies to a Self-Targeted Program." Report 11946-TUN. Draft. Agriculture Operations Division, Maghreb and Iran Department, Middle East and North Africa Region, World Bank, Washington, D.C.

———. 1995b. "Zimbabwe: Achieving Shared Growth." Report 13540-ZIM. World Bank, Washington, D.C.

———. 1996. *Thailand: Growth, Poverty, and Income Distribution.* Washington D.C.: World Bank.

———. 1997a. *Financing Health Services in Developing Countries: An Agenda for Reform.* Washington D.C.: World Bank.

———. 1997b. *Sector Strategy for Health, Nutrition and Population.* Washington D.C.: World Bank.

———. 1997c. *Chile: Poverty and Income Distribution in a High Growth Economy: 1987–1995.* Washington D.C.: World Bank.

———. 1997d. *Kazakhstan Poverty Assessment.* Washington D.C.: World Bank.

———. 1997e. *Romania: Poverty and Social Policy.* Washington D.C.: World Bank.

———. 1998. "Third Social Protection Project (Trabajar Program)." Report 17956-AR. Human and Social Development Group, LCC7C, Latin America and the Caribbean Region, World Bank, Washington, D.C.

———. 1999a. "Consumer Food Subsidy Programs in the MENA Region." Report 19561-MNA. Human Development Group, Middle East and North Africa Region, World Bank, Washington, D.C.

———. 1999b, July. "A Social Protection Strategy for Togo." World Bank, Washington, D.C.

———. 1999c, September. Managing the Social Dimensions of Crises: Good Practices in Social Policy. World Bank, Washington, D.C.

———. 1999d, October. Social Protection Strategy Paper. World Bank, Washington, D.C.

———. 1999e, November. Malawi: Safety Nets for the Poor 2000–2020. Draft. Malawi Resident Mission, Africa Region, World Bank, Washington, D.C.

———. 2000, February. Social Risk Management: A New Conceptual Framework for Social Protection, and Beyond. Revised draft. World Bank, Washington, D.C.

———. 2000b, January. "Argentina: Managing Social Risks." Draft. World Bank, Washington, D.C.

———. Forthcoming. *Household Risk, Self-Insurance and Coping Strategies in Argentina.* Vol. I, Main Report. Washington D.C.: World Bank.

World Health Organization. 2000. *World Health Report 2000. Health Systems: Measuring Performance.* Geneva.