

**RESILIENCE, EQUITY AND OPPORTUNITY**  
**The World Bank's**  
**Social Protection and Labor Strategy**  
**2012-2022**

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**Consultations Report**

**March, 2012**

## **EXECUTIVE SUMMARY**

The World Bank is preparing a new Social Protection and Labor (SPL) Strategy that will provide directions to the practice in the decade to come. As part of the development of the strategy, the World Bank carried out consultations with the purpose of eliciting views and inputs for the document from a wide range of stakeholders in as broad, inclusive and transparent a manner as possible.

The consultations engaged over 2,000 people worldwide to provide insight and guidance to the SPL strategy formulation in two distinct phases (January-June 2011 on the Concept Note and October 2011- January 2012 on specific directions for the draft SPL strategy). Representatives from government, civil society organizations, academics, the private sector, and bilateral and multilateral development agencies met with the World Bank in 64 face-to-face events worldwide, reaching over 1,700 participants from 66 countries. Discussions were also held with key development partners, from global and national trade unions, to civil society organizations such as Save the Children, Help Age International and the Africa Social Protection Platform, to UN agencies including the International Labor Organization (ILO), the United Nations Development Program (UNDP), the United Nations Children's Fund (UNICEF), and the World Food Program (WFP). The World Bank also convened an external SPL Advisory Group to marshal advice and insights from top academics, policymakers, and civil society representatives, and used an on-line forum to engage widely and transparently across a range of over 300 stakeholders.<sup>1</sup>

A set of open questions guided both consultation phases, with a focus on the challenges for SPL in the coming decade, the role of the World Bank in addressing those challenges, as well as the framework and ideas put forward in the SPL Strategy Concept Note and the Strategy draft: (i) building social protection systems, (ii) strengthening the focus on low income countries and fragile states, (iii) including the promotion of opportunity as a goal of SPL, and, (iv) investment in knowledge and results. During the second, targeted phase of consultations, more specific feedback was sought on key issues and challenges around SPL systems, the SPL areas of practice (Labor, Pensions, and Social Safety Nets) and the need for partnerships and multisectorial coordination.

The main challenges identified for SPL in the next 10 years referred to (i) fragmentation of programs and the need for coordination and integration of multiple actors and institutional frameworks; (ii) financing and sustainability given limited fiscal space; (iii) demographic trends, including the youth bulge and aging populations; (iv) coverage and social inclusion, including informality and vulnerable groups; and, (v) the need to respond to shocks and crises.

Stakeholders saw an important role for the World Bank in (i) generating and sharing evidence and knowledge on SPL; (ii) supporting coordination across donors, government agencies and

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<sup>1</sup> Consultation materials and summaries are available at [www.worldbank.org/spstrategy](http://www.worldbank.org/spstrategy)

other actors; (iii) providing capacity building; and, (iv) financing social protection, both directly and by mobilizing others' support.

In general, stakeholders agreed with the SPL framework and the proposed areas of focus. The 3P framework (prevention, protection and promotion) proposed in the SPL Strategy Concept Note was well received as it led to identify main functions of SPL (resilience, equity and opportunity) with a basis on risk management. There was also broad consensus regarding the need to focus on social protection systems, with a particular eye toward coordination across programs serving similar functions and the need for aligning resources and promoting fiscal sustainability. Participants also pointed to the need to expand coverage, especially in low income countries and fragile states, with the caveat that this focus should not imply less attention to vulnerable populations in middle-income countries.

Whereas there was consensus on the focus on promoting links to human capital, skills and labor market insertion as an integral part of a providing opportunity and fostering inclusive growth, stakeholders emphasized that risk management, as well as insuring against the adverse impacts of shocks and protecting the poor, remain central elements of SPL. Moreover, stakeholders considered that the SPL practice needs to pay particular attention to the linkages between these two and the specific transition from social assistance to labor markets, when possible.

There was a unanimous call for emphasizing knowledge and results given the serious gaps in this area and the World Bank's key role for generating evidence on program performance and supporting learning across countries. Finally, stakeholders considered it important to strengthen linkages among development partners' SPL strategies as well as to work in partnerships with civil society.

The emerging findings from the consultations summarized in this report fed into the drafting of the Strategy paper. The final strategy will be launched at the World Bank's Spring Meetings in April 2012, after it has been approved by the World Bank's Committee on Development Effectiveness. The new strategy will serve to guide the World Bank's work in SPL in the decade to come (2012-2022).

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## 1. INTRODUCTION

A decade has passed since the World Bank introduced its Social Risk Management framework and launched its first Social Protection strategy. During that time, the work of the World Bank's Social Protection sector has grown, innovated and played a critical role in supporting developing countries, most notably in managing the social impacts of the recent global economic crisis. In order to respond more effectively to the emerging, fast-changing and challenging demands expected in the coming decade, the World Bank Group is preparing a new Social Protection Strategy, to be finalized in early 2012. The new strategy will shape the World Bank's work in social protection for the next 10 years (2012-2022).

The development of the social protection strategy was supported by a global multi-stakeholder consultation process seeking to elicit views and inputs in as broad, inclusive and transparent a manner as possible. Specifically, the consultations aimed to:

- Create a vibrant space for dialogue with stakeholders to share their views on challenges and new and emerging opportunities for social protection policies and programs;
- Obtain inputs and feedback from stakeholders on improved social protection policies, programs and other mechanisms in developing countries;
- Expand and deepen channels for ongoing engagement with key stakeholders beyond strategy development and toward strategy implementation, so that the World Bank's social protection efforts can continue to benefit from different perspectives and experiences.

## 2. CONSULTATIONS PROCESS

The consultations process entailed two distinct phases to allow stakeholders and interested parties to provide feedback and perspectives throughout the strategy development process. An official consultation website supported the process (<http://www.worldbank.org/spstrategy>) containing the SPL Strategy Concept Note and its PPT<sup>2</sup>, background materials and a schedule of consultation events. Summaries from the consultation meetings reflecting feedback provided were made publicly available on the website throughout the process.

### *Consultations Timeline*



### *Phase 1 –January –May 2011*

The World Bank launched the first phase of consultations on the SPL Strategy in January 2011 after the SPL Strategy Concept Note was approved by the World Bank's Committee on Development Effectiveness (CODE). A comprehensive consultation process, centered on the

<sup>2</sup> This material was made available in Arabic, Chinese, English, French, Portuguese, Russian and Spanish.

Concept Note, was carried out between January and May 2011 with wide representation from stakeholders from around the world. During this phase of consultations, the World Bank sought inputs to the strategy based on a SPL Strategy Concept Note that describes the approach towards a new strategy and placed the emphasis on building SPL systems; expanding coverage in low-income and fragile settings; enhancing human capital and opportunities; and continuing to invest in knowledge and results.

### ***Phase 2 –October 2011- January 2012***

During Phase II of consultations, the World Bank sought feedback on the strategy itself (based on a slide presentation highlighting key concepts from the draft strategy) through a set of focused formal and informal discussions with stakeholders. The feedback provided during this phase helped finalize the draft version of the strategy submitted to the World Bank's Board of Directors in March, 2012.

### ***Channels for Consultations***

- (1) Face-to-face meetings at the country and regional level, complemented by video conferencing;
- (2) Face-to-face meetings during or alongside global conferences;
- (3) Online feedback through online surveys, web-based discussion forum and email platform;
- (4) Social Protection Advisory Groups composed of top academics, policy-makers, civil society, and others.

### ***Stakeholders Consulted***

Stakeholders consulted comprised a broad range of actors involved in social protection and labor, including government officers, parliamentarians, development agencies, civil society organizations, trade unions, the private sector, academia, think tanks and others.

### ***Face to Face Events***

During Phase I of the consultations, a total of 43 face-to-face and videoconference events were held to consult on the SPL Strategy Concept Note, involving over 1400 participants from governments, civil society organizations, academics, the private sector and both bilateral and multilateral development agencies. Out of these consultations, 36 were country-specific events with a total of 43 countries represented. The remaining consultations (7 events) were held in the context of ongoing global and regional events. Additionally, more than 300 individual participants from over 34 countries were involved in phase II of SPL Strategy consultations. During both SPL Strategy consultation phases, the World Bank also held meetings with key development partners.

### ***Online Consultations***

The World Bank set up a dedicated website that included *web-based surveys* to capture inputs from closed- and open-ended questions to visitors. Throughout the two consultations phases, more than 150 people responded to the questionnaires, providing essential feedback on the main areas of focus for the new strategy.

An *on-line discussion forum* hosted in eScoop featured blogs on subjects germane to the SPL Strategy, including social protection systems, crises, disability, rights and accountability, jobs

and the role of social protection in low-income countries. This forum provided the opportunity to members to comment on the issues.

### Written Comments

Stakeholders also had the opportunity to submit formal *written comments* to a dedicated email account. Comments from around 30 institutions and individuals were wide range of stakeholders such as civil society organizations, including global trade unions (ITUC), and international development organizations (Save the Children, Help Age International, Overseas Development Institute and others), UN agencies (ILO, etc), development partners, and several others (see Table 1 and Table 2 for lists of organizations consulted).

### Advisory Group

The World Bank convened an external Social Protection Advisory Group and held discussion sessions with them during both phases of the SPL Strategy Consultations (in April and September 2011), to marshal advice and insights from top academics, policymakers and civil society representatives from client countries. (See Annexes 2 and 3 for the summaries of the External Advisory Group meetings).

## **3. SUMMARY OF PHASE I OF CONSULTATIONS**

In order to elicit guidance and summarize the views from very diverse stakeholders, the consultations were based on the following set of open questions:

1. Based on your experience, what would be the most important challenges in the social protection and labor sector in the coming 10 years in your country or region?
2. What should the World Bank's role be in your country or region with regard to social protection systems or programs?
3. In strengthening the World Bank's engagement in social protection and labor, what is your opinion regarding the proposed areas of focus in the SPL Strategy Concept Note listed below?
  - a. Moving from programs to social protection systems
  - b. Strengthening the focus on low income countries and fragile states
  - c. Emphasizing "promotion" as a goal of social protection when designing programs and systems
  - d. Continued investment in knowledge, including sharing relevant good practice and results
4. What are your suggestions or comments about how to shape a new World Bank Social Protection & Labor Strategy?

This section presents a summary of the input collected during the first phase of consultations on the SPL Strategy Concept Note. Emerging themes and issues are organized around four general topics: (i) challenges and issues in SPL in the next decade; (ii) the role of the World Bank in SPL; (iii) feedback on the framework proposed in the SPL Strategy Concept Note; and, (iv) feedback on the areas of focus proposed in the SPL Strategy Concept Note.

This section presents key emerging themes that were consistently mentioned by stakeholders throughout the consultations. In addition, a disaggregated analysis of all feedback by themes, context, region and stakeholder can be found in Annex 1. The word cloud below shows the relative importance that stakeholders assigned to different issues in SPL based on the number





- Support coordination across donors, government agencies and other actors engaged in social protection.
- Financing for social protection, both directly and by mobilizing others' support.
- Capacity building for effective social protection programs and systems.

**Table 1: Phase I Consultations**

Regions	Countries
Africa	Benin, Burkina Faso, DRC, Ethiopia, Ghana, Kenya, Liberia, Mali, Niger, Rwanda, Senegal, Togo, Uganda
East Asia and Pacific	Australia, China, East Timor, Indonesia, The Philippines, Japan
Europe and Central Asia	Armenia, Azerbaijan, Finland, France, Germany, Georgia, Italy, The Netherlands, Norway, Serbia, Spain, Sweden, Turkey, UK
Americas and the Caribbean	Canada, Ecuador, Jamaica, United States
Middle East and North Africa	Egypt, Jordan, Morocco, West Bank Gaza
South Asia	Bangladesh, India
International Events	Location
Multi-donor Social Protection Show and Tell	Bonn, Germany
Social Protection, Disaster Risk Management and Climate Change Adaptation workshop	Addis Ababa, Ethiopia
100th International Labor Conference	Geneva, Switzerland
Bank-IMF Trade Unions Meetings	Washington, DC, USA
6th IZA-World Bank conference on employment and development	Mexico City, Mexico
Skills Development for Productivity in Asia Conference	Jakarta, Indonesia
G20 High-level conference on "Strengthening economic and social policy coherence"	Paris, France
South-South Learning forum on social protection in low-income countries	Addis Ababa, Ethiopia
Development Partners Consulted	
European Union , African Union, UN Agencies (UNAIDS, UNICEF, ILO, UNDP, UNFPA, WHO, DESA, UNRISD, WFP), DFID, GIZ, AUSAID, OXFAM, USAID	
Civil Society Organizations Consulted	
African Platform for Social Protection, ACTIONAID, ENDA-FR, Concern Worldwide, HelpAge, International Disability and Development Consortium (IDDC), International Trade Union Confederation (ITUC), Nordic Africa Institute, Fundación Secretariado Gitano (FSG), Save the Children, India Habitat Center	

**c. Feedback on the Strategy Framework**

- The 3P Framework which highlights the role of SPL in providing prevention, protection and promotion functions was welcomed, in particular the newer focus on promotion.

Two observations that were made: (i) the need for keeping a balance between this new focus on promotion and the essential role of SPL for prevention and protection; and, (ii) exploring linkages between this framework and other approaches such as those that incorporate a "transformative" function of SPL, the UN/ILO SP floor, and "life-cycle" approaches to SPL.

- The important role of communities, civil society and the private sector as providers of SPL functions as well as agents for transparency and accountability.
- The productive role of SPL and the importance of social protection for economic growth need to be a key message of the strategy.
- A greater emphasis in the role of political economy for introducing, implementing and measuring impacts of SPL interventions.

***d. Feedback on the proposed Strategy focus areas***

- Broad consensus regarding the need to focus on social protection systems, with a particular eye toward (i) coordination across programs serving similar functions; (ii) using complementary programs to foster graduation from social assistance and access to jobs; (iii) the need to have a multi-sectoral perspective; (iv) aligning resources and promoting fiscal sustainability; (v) ensuring a strong institutional and legal foundation; and (vi) tailoring systems to country contexts.
- Support for expanding coverage, especially in Low Income Countries (LICs) and Fragile States, with some caveats: (i) the focus on fragile and low income countries should not imply less attention to middle income countries (MICs); especially vulnerable populations in MICs, (ii) there is a need to differentiate between fragile states and LICs; and (iii) the World Bank should maintain a country-led process responsive to client demands.
- Consensus on promoting links to human capital, skills and labor market insertion. Links between poverty reduction and productivity should be emphasized. Promising areas of engagement include: education and skills development, active labor market programs, entrepreneurship development, livelihoods programs (especially in rural areas) and microfinance. However, not all people will be able to graduate from social assistance or enter the labor market, underscoring the continued need to protect the most vulnerable.
- Unanimous call for emphasizing knowledge and results given the serious gaps in this area and the World Bank's recognized role in generating evidence on program performance and supporting learning across countries. The World Bank should focus on both in-depth and cross-country analysis to learn from and leverage innovations and knowledge, including an understanding of contexts and lessons on successes and failures.

**4. SUMMARY OF PHASE II OF CONSULTATIONS**

In order to elicit guidance and summarize the views of different stakeholders, the consultations were based on the following set of open questions:



- Financing and sustainability of SPL systems will remain the main issues which SPL will have to grapple with in the coming decade, given the limited available fiscal space;
- At the program level, it will be essential to focus on ways to harmonize rules and principles; particularly in managing expectations of the population. Flexible and responsive SPL programs are essential both in non-crises periods, to address poverty and vulnerability, as well as in response to crises. Further emphasis is also needed on the crisis-management aspect and how to prioritize programs in the context of shrinking fiscal resources.

**Table 2: Phase II Consultations**

Regions	Countries
Africa	Cameroon, Ghana, Guinea, Madagascar, Malawi, Mauritania, Rwanda
East Asia and Pacific	Australia, Philippines, Vietnam
Europe and Central Asia	Belgium, Denmark, France, Germany, Russia, Sweden, UK
Americas and the Caribbean	Antigua and Barbuda, Bolivia, Brasil, Chile, Colombia, Dominica, Ecuador, El Salvador, Grenada, Guatemala, Honduras, St. Kits and Nevis, St. Lucia, St. Vincent & Grenadines, United States
Middle East and North Africa	Tunisia
South Asia	Bangladesh
<b>Development Partners Consulted</b>	
UN Agencies (UNICEF, ILO, FAO), European Union, Asian Development Bank, African Development Bank, AUSAID, DFID, GIZ, SIDA	
<b>Civil Society Organizations Consulted</b>	
Save the Children, International Trade Unions Confederation, HelpAge, EveryChild Coalition for Children without Parental Care	

***b. Important and challenging elements for the main SPL practice areas***

***i. Labor***

- The strategy should set forth a better balance between the supply and demand sides of labor markets, as some of the factors that constrain labor creation lie outside the labor markets area. The SPL practice should clarify its primary focus on labor supply issues, recognizing that core labor standards are central to well-functioning labor markets;
- Productivity and the returns to labor should be emphasized in the SPL strategy. Productivity of formal, as well as in informal work is crucial for enhancing promotion and opportunities;
- The linkages between labor and safety nets issues could be strengthened, by paying specific attention to the development of human capital skills. More work needs to be done in linking labor-intensive public work projects with skills training and skills development opportunities, specifically targeting youth. Simultaneously, there is a

strong need to maintain labor efficiency, and promote the transition of vulnerable poor from social assistance into the labor market;

- Greater emphasis on the issue of women in the labor market, in terms of income and informality. Women are overrepresented in the informal economy. Access to contributory schemes, legal entitlement of benefits and opportunities for activation in formal labor markets are some of the crucial issues for protecting women and expanding their opportunities in the labor force.

#### ***ii. Safety Nets***

- Increased coverage of safety net interventions especially in Low Income Countries and Fragile States remains a big challenge, especially in light of the increased incidence of economic shocks, weather-related disasters and political instability, and their impact on vulnerable populations;
- Greater attention to the life-cycle approach when designing SSN programs and the role of categorical transfers to build resilience and opportunity;
- Increased emphasis on the notion of graduation from safety net interventions as part of SPL's promotion function, distinguishing between threshold graduation and sustainable graduation;
- Sustainable financing for safety net programs is essential. For this, there is a role in advocacy and demonstrating the benefits of investing in SSNs for poverty reduction, human capital development and growth.

#### ***iii. Pensions***

- Insurance and pension schemes generally benefit a small segment of employees in the formal sector. It is thus vital to extend the coverage to the informal sector (including youth), while bearing in mind the limited capacity in improving insurance and pensions schemes in LICs;
- In LICs, social pensions are most likely to address the income security of older people—options for reaching the elderly in a more inclusive (less selective) way in this context should be explored, particularly when facing resource constraints;
- The strategy should not overemphasize the feasibility of mandatory and voluntary savings for providing income security to informal, rural and mobile populations.

#### ***c. Feedback on partnerships in building, coordinating and evaluating SPL systems***

- Greater emphasis in ensuring complementarities between different donors' strategies. The SPL strategy could clarify the World Bank's role in harmonizing the strategy with other organizations (UNICEF, ILO, DFID) in order to avoid duplication of programs in countries they operate in;
- Stronger collaboration with Civil Society Organizations, which have the potential to strengthen national-level demand for SPL programs and can play a valuable role in countries with weak state presence. Some of the most relevant areas for collaboration are around advocacy for SPL programs and ensuring inclusiveness accountability and transparency in programs.

**d. Other Issues and Priorities for the SPL Strategy**

- Low Income Countries and Fragile States call for different SPL approaches, particularly in light of the political economy implication in different contexts.
- There is an important role for SPL interventions in promoting social cohesion, especially in LICs and fragile states;
- Informality remains a major, long-standing issue in the developing world where most people are supported by informal risk management mechanisms. Traditional SPL mechanisms need to be taken into consideration, especially given their complementarities with other more formal mechanisms;
- SPL has a role in addressing vulnerabilities of children, especially children without parental care, as they are amongst the poorest groups in the population. Coverage and inclusion of SPL programs targeted to children require explicit consideration within the strategy;
- The most vulnerable have, on average, less ability to voice their needs and remain outside social contracts. The strategy should search for methods to specifically target these groups. A rights-based approach may be instrumental and can serve as a departure point for an SPL framework that sees these investments both as necessary for economic growth, and as a human right;
- Improving the evidence base on key program design and implementation issues and continued support of cross-country learning initiatives is a key role for the World Bank. This includes South-South Knowledge Exchange Forums, which play a major role in exchanging expertise and resources between governments, international organizations, and individuals in developing nations;
- The World Bank should also continue to document and showcase the impact of the Rapid Social Response Program (RSR), so as to encourage bilateral funding for the program, as well as encourage demand from Low Income Countries to establish SPL systems with RSR support;
- The nuance of the Strategy, asserting that SPL can contribute to local economic development and equitable growth, is widely accepted on the basis of empirical evidence. Nevertheless, the Strategy should illustrate the conditions under which SPL could contribute to growth.

**5. CONCLUSIONS AND IMPLICATIONS FOR THE SPL STRATEGY**

The World Bank Social Protection and Labor Strategy consultation process sought to elicit views and inputs from a wide range of stakeholders in as broad, inclusive and transparent a manner as possible. More than 2,000 individuals and organizations provided crucial inputs to the strategy development process, as well as recommendations on the SPL strategy itself, through face-to-face meetings, online feedback, written comments and the Advisory Group meetings.

Some of the general conclusions and implications that can be extracted for the strategy and its implementation in the next decade are as follows.

- Strong endorsement of the main areas proposed by the SPL Strategy Concept Note, particularly a focus on the need for building SPL systems;
- Strong endorsement of the Strategy framework, which places emphasis on resilience-equity-opportunity;
- An endorsement of the systems approach to SPL;
- A call for extended engagement in Middle Income Countries, Low Income Countries and Fragile States, and further inclusion of children, people with disabilities and women in SPL programs;
- A need for the Strategy to pay additional attention to labor issues and for the World Bank's work to focus more clearly on jobs, skills and productivity;
- A strong call to keep in mind the essential role of SPL for risk management and addressing vulnerabilities, which are at the core of the practice's prevention and protection functions;
- A need to tailor SPL programs to be country-led, multi-actor and inclusive, and a role for the World Bank in providing options and tools for client countries anchored in best practice and evidence.

The consultations established clear directions for the focus of the strategy and called on the World Bank to play a role in five areas:

- generating and sharing evidence and knowledge on SPL;
- building capacity;
- financing SPL initiatives, both directly and by mobilizing others' support;
- supporting coordination across global partners, government agencies, and other actors;
- listening and collaborating with others in setting and implementing the SPL agenda.

The SPL strategy will collect these inputs and develop a framework for action for the social protection and labor practice at the World Bank in the next decade.

## Annex 1: Disaggregated findings for Phase I of Consultations

### a. Methodology

In order to understand what issues were relevant to diverse actors in different contexts, a qualitative analysis of the consultations feedback was conducted. First, comments from consultations summaries and written inputs were collected into a single database, analyzed and categorized into specific themes. A total of 1044 inputs were categorized under twenty-two themes. The inputs were categorized by context, region, and type of stakeholder. The following sections focus on the analysis of the feedback by themes and disaggregate it by type of country (LIC, MIC, and HIC), region and type of stakeholder.

### b. Main Themes

This section presents the general findings from the analysis of the emerging themes by the frequency with which they were mentioned. A brief description of the themes in order of relevance is presented next as well as a graph which shows the distribution of the themes.

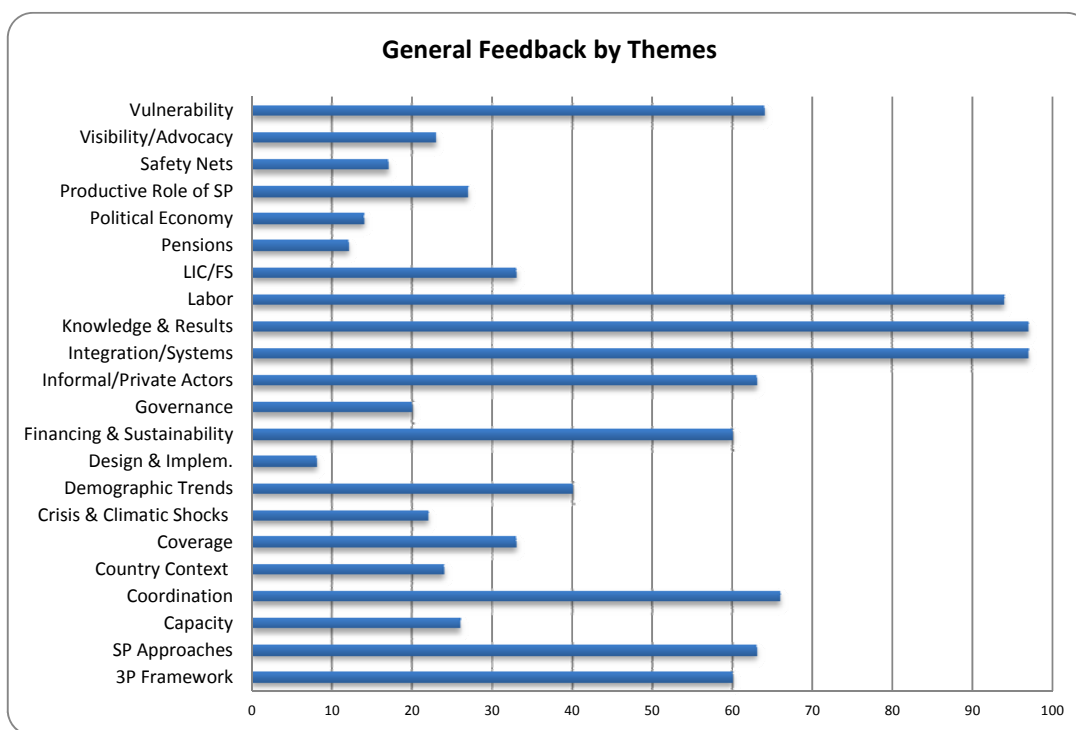


Figure 1. Disaggregated Feedback by Themes

**1. Integration and Systems.** Comments under this theme focused on the need for integration and coordination of SPL programs into systems at the institutional, policy and financing levels. Fragmentation across spheres of government is seen as a key challenge (central vs. local, sectors, ministries, programs, etc) which leads to duplication of efforts and inefficient use of resources. Participants agreed with the proposed focus on SPL systems in the SPL Strategy Concept Note, and some saw a role for the World Bank in strengthening countries capacity to build national, sustainable SPL systems.



**2. Knowledge & Results.** Under this theme, specific topics were: (1) knowledge generation and understanding causes and contexts (what works where and why); (2) strengthening M&E and results; (3) knowledge sharing.

*Knowledge generation.* Participants welcomed the SPL Strategy Concept Note's focus on generating evidence on what works and learning from international best practices, with the goal of providing design and implementation options to countries wanting to improve their SPL system. By generating knowledge, the World Bank has a role in “expanding the menu of possible options” for countries.

*Monitoring and Evaluation, and Results.* Key challenges are the lack of benchmarks to assess country performance in SPL and lack of proper monitoring and evaluations systems capable of reporting beyond immediate outputs and into longer-term impact. Stakeholders welcomed the increased focus on M&E and results in the strategy SPL Strategy Concept Note.

*Knowledge sharing.* Learning from the experiences of other countries –both best practices but also failures- is crucial for client countries. The World Bank serves as a channel for information dissemination and knowledge sharing, especially on new technologies and good practices.

**3. Labor.** There was a call for including a stronger focus on labor issues in the strategy. The most mentioned topics in this context were: (i) education & skills; (ii) employment & informality; and, (iii) standards & regulations.

*Education and Skills.* A key challenge is the disconnect between the education system and the labor market. Efforts to make vocational training more available should be supported, keeping an eye on the appropriateness of the transferred skills. When looking at employability, it is important not only to prepare for the labor market, but also to promote entrepreneurship.

*Employment and Informality.* One of the most important challenges in SPL in the coming 10 years will be supporting workers in the informal sector, which represent over half of the workforce in developing countries. Other issues of relevance were the rapid rise of the number of unemployed and underemployed in the global economy, as well as the need to focus on *productive* employment as opposed to only focusing on employment generation.

*Standards and Regulations.* Some participants considered that it was appropriate for the World Bank's SPL sector to examine how to move forward in supporting adequate labor regulations that protect workers and provide them with adequate bargaining power.

**4. Coordination.** Across the consultations, this theme referred to coordination issues among development agencies and donors. Participants suggested that the World Bank explore ways for increased coordination around SPL issues with other IFIs and development agencies, civil society groups, etc. Stakeholders see the World Bank as an enabler and convener of country-led coordination processes. Coordination with other sectors (health, education, climate change, social development) within the World Bank itself and with other development institutions is also key.

**5. Vulnerability.** The strategy needs to examine the role of social protection in addressing social exclusion and the needs of vulnerable groups, especially women, children and people with disabilities. For instance, social protection schemes must be complementary to cross-cutting international, regional, national and local efforts to ensure access for persons with disabilities to

existing social services, healthcare, education, employment and economic opportunities. The strategy should also make more emphasis in women's specific vulnerabilities as well as their opportunities in the labor market. Furthermore, the strategy should recognize children's specific vulnerabilities, especially with regard to food security, access to health, education and nutrition.

**6. Informal and Private Arrangements.** Inputs under this theme focused on the role of communities, civil society and the private sector not only for providing social protection and labor but also in ensuring accountability and supporting strong governance.

*Communities and Civil Society Organizations* play an important role in providing social protection at the local level and service delivery, and they can also have an important role for accountability and transparency, by raising awareness and channeling demands, advocating for improved services and monitoring implementation. Trade unions also play an important role to promote SPL. Engaging the *Private Sector* in SPL is important particularly because of the role it plays in job creation, skills training and worker protection.

**7. Approaches to SPL.** Stakeholders encouraged the World Bank to explore the linkages between the strategy framework and other approaches to SPL, such as rights-based approaches (in particular, the SP floor), the "transformative" approach contained of the 3P+T framework as developed by other authors<sup>3</sup>, and "life-cycle" approaches.

**8. 3P Framework.** Stakeholders provided comments on the framework laid out for the strategy in the SPL Strategy Concept Note, as well as on each of the functions of SPL (prevention, protection and promotion). The most commented issue across the board was the issue of promotion opportunity. While most stakeholders welcomed this new focus for the World Bank's work on SPL, participants warned about the need to maintain a balance among the three functions, and to keep in mind the essential roles of prevention and protection and risk management, which is at the core of SPL.

**9. Financing & Sustainability:** A key challenge is affordability of SPL schemes, especially in the context of building systems in low income countries. This issue relates closely to dependency and sustainability issues – countries should be able to eventually finance SPL through taxes without depending on external financing, which would help put in place programs and policies with a longer term vision.

**10. Demographic Trends:** Key challenges arise from sometimes divergent demographic trends such as aging, the youth bulge, migration, urbanization, and rural and agricultural contexts.

*Aging.* The world population is aging across developed and developing countries creating pressures on societies and existing social security systems. A great number of older people around the world lack a secure income which results into working into old age, often in insecure, low-paid jobs and persistent poverty. Moreover, changes in family structures result in declining family support for older people in many places, while, in others, older people are playing a significant role in caring for grandchildren.

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<sup>3</sup>Bonilla Garcia and Druat (ILO 2003), Devereux and Sabates-Wheeler (2004)

*Migration.* Besides South-North migration, the flows of South-South migration are growing and will have an important impact on SPL in developing countries.

*Rural and Agricultural Contexts.* Stakeholders encouraged the World Bank to strengthen the focus of the strategy to SPL in rural and agricultural context, where SPL is particularly relevant for providing income for many women, and offering protection in a sector with a high degree of informality and seasonal changes.

*Urbanization.* Stakeholders suggested strengthening the focus on SPL programs for urban populations. In contexts in which cities are growing with limited attention to urban planning and services, coupled with migration from rural areas, SPL is not yet geared for transitory populations with a different set of needs.

*Youth.* Given the lack of jobs and skills mismatch, programs should focus on providing skills to enable the youth to be financially independent, not only through jobs but also through entrepreneurial activities.

**11. Coverage.** SPL systems coverage is a key challenge, especially with regards to informality as well as issues of targeting and universality. Traditional contributory schemes have limited use in the informal sector, and given the reality of irregular incomes, there is a strong call for innovations in the use of social insurance in informal settings. Targeting the informal sector can be challenging in places with limited institutional capacity and lack of reliable information. Targeting is relevant in developing countries, where full-fledged universal systems are unlikely to be built immediately; however, it is important to build sub-systems that can eventually be scaled up into universal systems.

**12. Low Income Countries and Fragile States.** There was broad agreement on the need to focus the SPL's work in low-income countries and fragile states. However the strategy should not exclude middle income countries where demographic transitions are taking place and population ageing is a key concern. Moreover, a great part of the world's poor live in MICs and there are important coverage challenges in these countries as well. Finally, Fragile States and LICs are often grouped into the same category when indeed they have different challenges, policy priorities and political contexts.

**13. Productive Role of SPL:** The importance of social protection for economic growth needs to be a key message of the strategy. In general, SPL is considered as a response in times of crisis. However, it should also be seen as an investment that contributes to growth.

**14. Capacity.** Lack of capacity to implement programs and build systems at country level is seen as an important challenge for SPL. Stakeholders see a strong role for the World Bank in helping countries build this capacity.

**15. Country Context.** A positive element in the SPL Strategy Concept Note is the emphasis on adopting social protection schemes that respond to countries' social contracts, societal preferences and institutional capacities. The Strategy should leave enough room for varied, flexible approaches that take into account regional and country contexts. It is also important to encourage the analysis of existing realities in order to provide solutions that utilize the resources in place. Finally, systems that are developed by national governments, embedded in the specific social and political context in client countries, are more successful.

**16. Visibility & Advocacy.** The strategy is a key part of the global movement to bring social protection and labor issues to the front of the development agenda. The World Bank support is needed to advance this agenda, but the process needs to be country driven. Evidence is particularly important to encourage governments to invest in SPL systems.

**17. Crisis & Climate Shocks.** SPL plays a role not only in responding to economic crises but also to other shocks, such as those caused by natural disasters and climate variation. SPL systems must also focus on the inclusion of predictable 'safety net' support for these types of crisis.

**18. Governance.** Transparency and accountability are essential to ensure that resources are reaching the right people. Moreover, integration of concepts of participation, empowerment and social accountability is relevant for the World Bank's work in SPL.

**19. Safety Nets.** Design issues and technical options were the most frequently mentioned issues within this theme, in particular regarding the debate around cash transfers and conditionalities. Although conditions linked to permanent SPL programs have had success at supporting human development objectives in some places, they might not be useful when the services are not in place such as in many low income and fragile states.

**20. Political Economy.** Although there is increasing attention to political analysis in the strategy, a greater emphasis may be needed since political economy (i) sets limits for how SPL may be introduced, (ii) may determine how well governed interventions will be, and, because (iii) any large scale SPL intervention is likely to have important political economy impacts.

**21. Pensions.** The challenge of pensions' coverage is particularly relevant for contexts with high informality and those with rapidly aging populations. Stakeholders also commented on the need for SPL instruments to be designed in a way which makes them accessible for older people, with a particular emphasis on universal social pensions.

**22. Design & Implementation.** This theme was raised mainly in the context of challenges in the design of Safety Net programs, especially the technical challenges of targeting and scaling up of programs.

### ***c. Feedback by Type of Country (LICs, MICs, HICs)***

The following figures show the distribution of themes in different contexts: low-income countries (LICs), middle-income countries (MICs) and high-income countries (HICs). The 2011 World Bank's list of economies was used to categorize these countries. Organizations that work at a global scale (CSOs, development agencies and research institutions) were not included in this analysis and they are included in the stakeholder analysis in section e). Fragile States were included under their respective income classification (LIC or MIC).

Key messages from the analysis of the feedback by type of economy are:

1) The most frequently referenced theme in LICs was *Integration and Systems*, with particular emphasis in fragmentation of programs and the need for greater coordination of interventions through the improvement of the institutional and policy framework. The second most relevant issue in this context was *Knowledge and Results* with particular emphasis on M&E, results and

knowledge sharing. Other prominent themes were: (i) *Coordination* of donor and development agencies efforts; (ii) *Financing and Sustainability*; and, (iii) the role of *Informal and Private Actors* for SPL provision.

2) In MICs, the most frequently mentioned theme was *Knowledge and Results*, with an emphasis on M&E, results and knowledge sharing. *Labor* issues were also of great importance and the focus was on education and skills training and on employment challenges. The third most frequently mentioned theme was *Integration and Systems* with an emphasis on the need for integrating programs but also institutions and financing.

3) The focus of HICs was on *Labor* issues with emphasis on informality and labor standards. Another prominent theme was *Coordination* among development partners; followed by *Inclusion* of the most vulnerable and a focus on *Approaches to SP*.

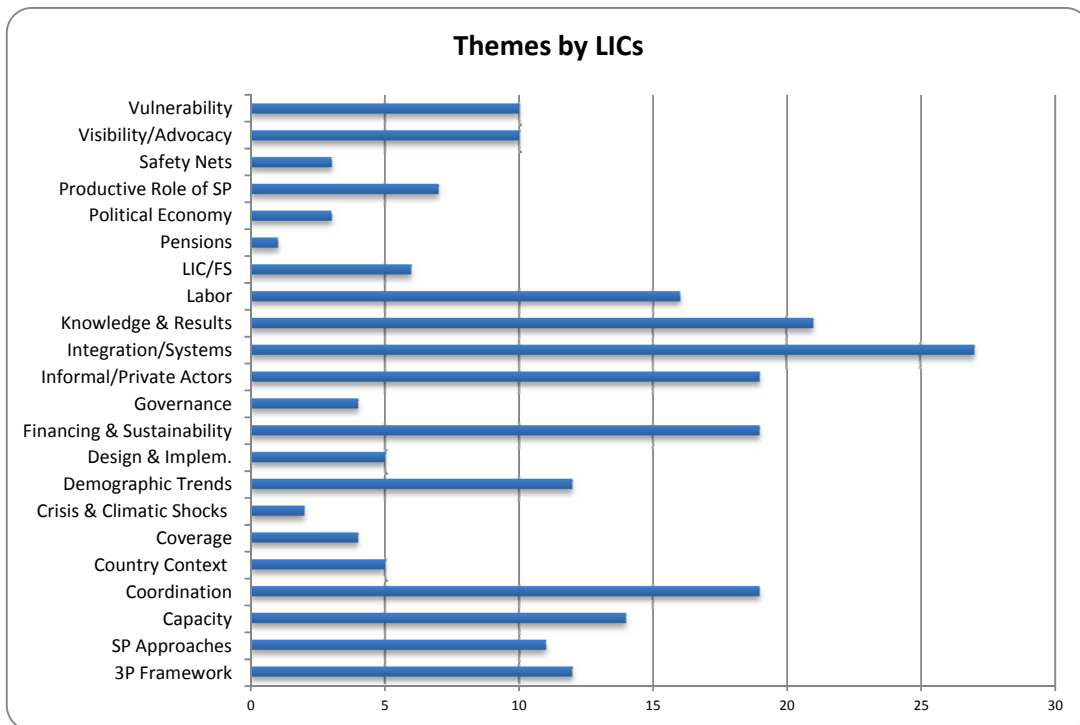


Figure 2: Feedback by Context, LICs

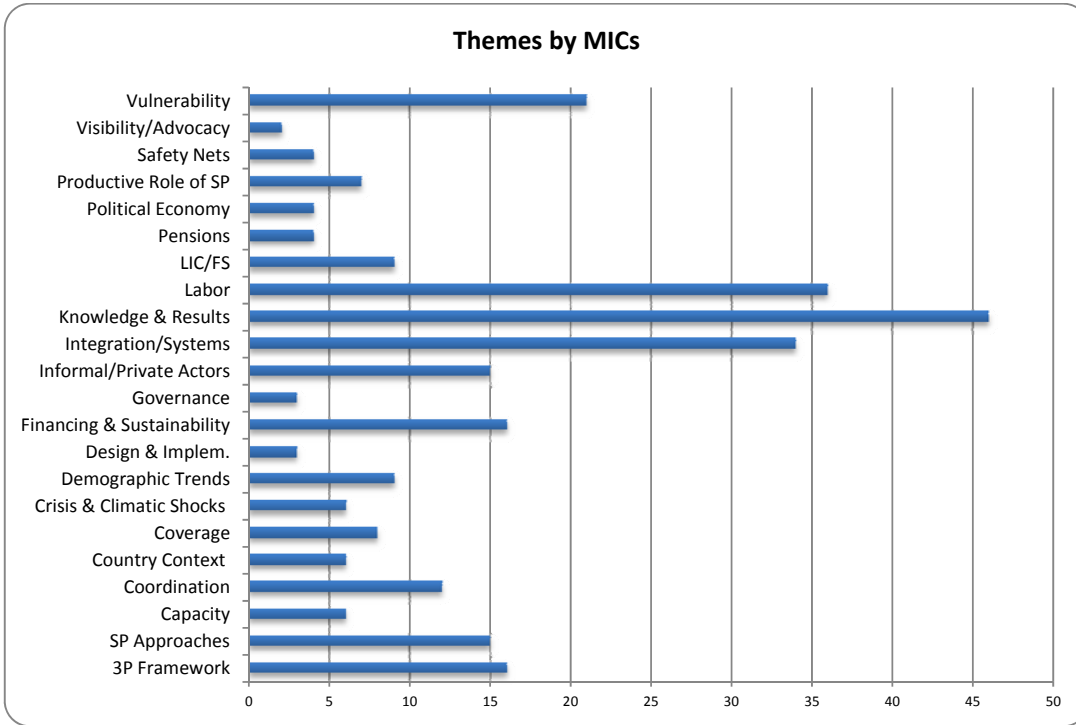


Figure 3: Feedback by Context, MICs

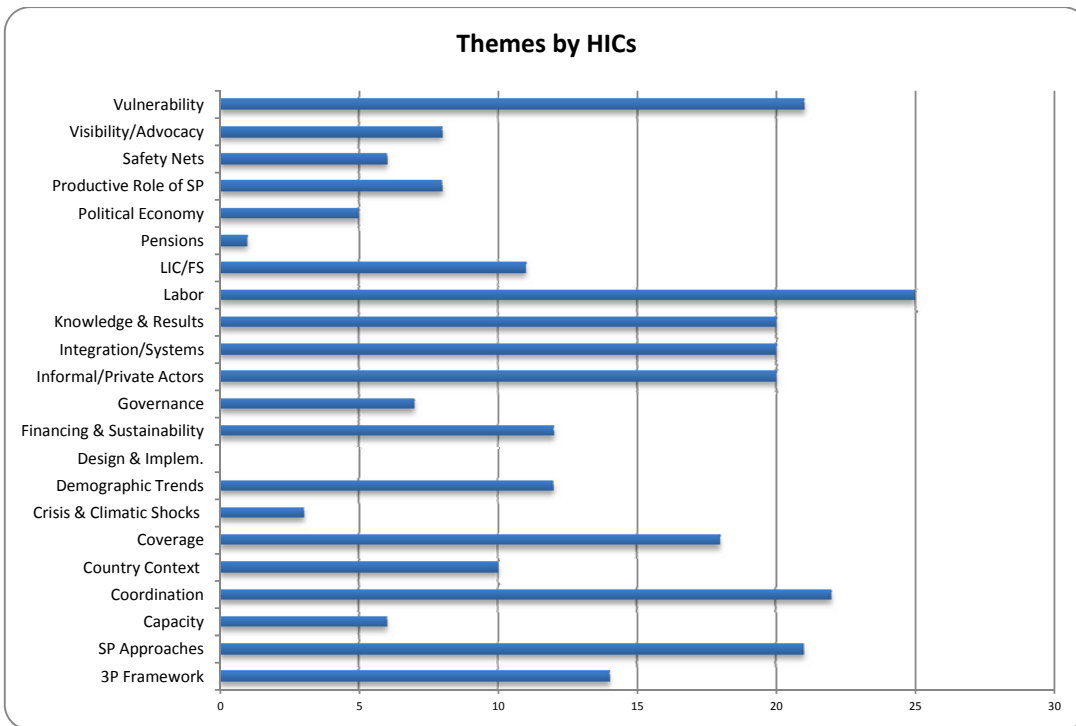


Figure 4: Feedback by Context, HICs

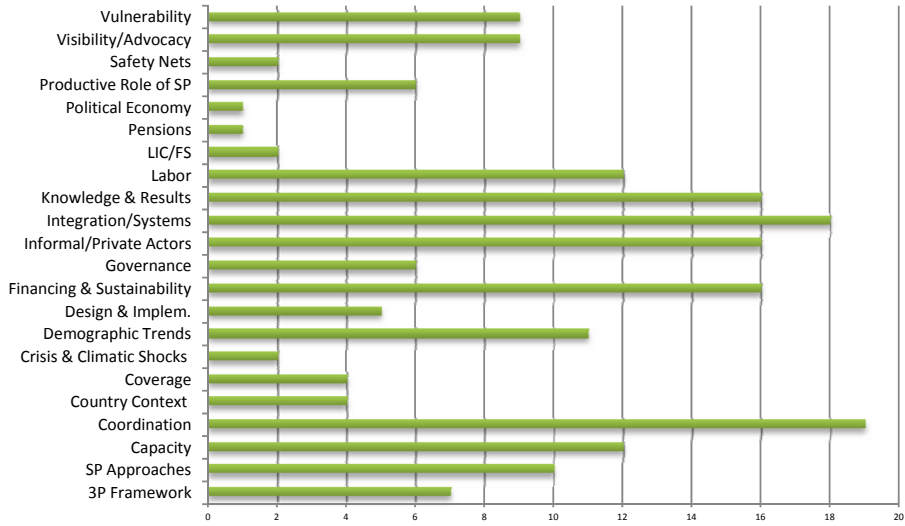
#### **d. Feedback by Region**

The following analysis shows the distribution of themes by region: Africa (AFR), East Asia Pacific (EAP), Europe and Central Asia (ECA), Latin America (LAC), Middle East and North Africa (MNA), South Asia (SAR). The World Bank's regional division was used and the analysis in this section excludes donor countries. Input from donor countries (Western Europe, USA and Canada) coincides with the analysis of HICs in section C. (Fig. 4) of this Annex. In addition, a 'World' category was used for inputs from global events, inputs from organizations that work at a global scale, or inputs for which the origin was unknown.

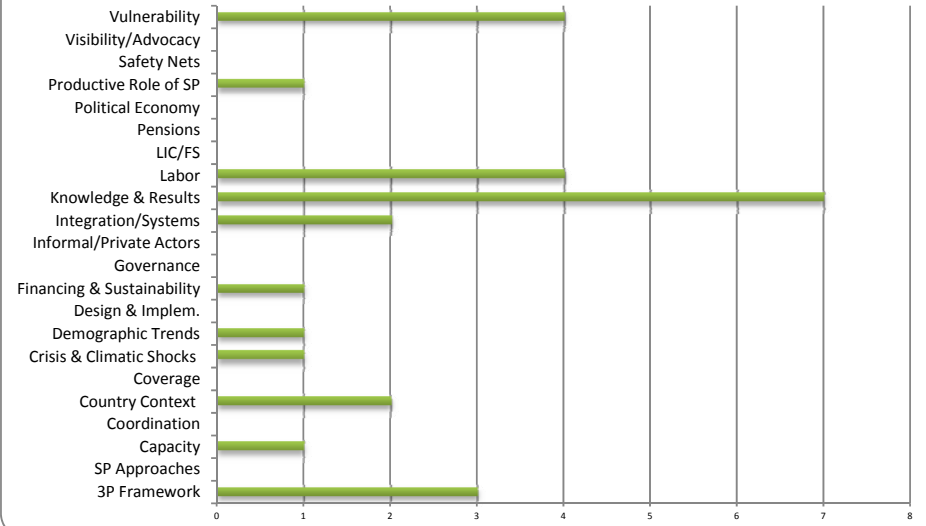
Key messages from the analysis of the feedback by region are:

- 1) In AFR, the most discussed theme was the need for *Coordination* of efforts among development agencies and donors; followed by the need for *integrating programs into a system* of social protection. Some of the other most relevant issues were *Financing and Sustainability*, the role of *Informal and Private Actors* in SPL and the need to invest on *Knowledge and Results*, in particular knowledge sharing.
- 2) In EAP, the most referenced was *Knowledge and Results*, with a strong emphasis on the role of the World Bank as an enabler for knowledge sharing. The second most relevant issue was the issue of *Coordination* among development partners, followed by *Labor* issues, especially in relation to employment.
- 3) In ECA, the most discussed issue was *Knowledge and Results*, especially the need for knowledge exchange; followed by *Labor* issues and *Vulnerability* and inclusion.
- 4) In LAC, the most frequently mentioned theme was *Knowledge and Results*, with an emphasis on M&E and results for evidence-based planning. *Labor* issues were the second most prominent theme with a focus on education and skills training. A third issue of relevance was the need for *Integration and Systems* at program and institutional level.
- 5) In MNA, the most frequently mentioned theme was *Integration and Systems*, especially regarding the issue of fragmentation of programs and the need for a systems approach. *Labor* was the second most frequently mentioned theme, with particular emphasis on employment and informality. A third theme of importance was *Financing and Sustainability* of SPL programs.
- 6) The top theme in SAR was *Integration and Systems*; followed by *Knowledge and Results* with a focus on knowledge sharing, M&E and results. The issue of *Vulnerability* was also of importance, especially regarding the role of SPL for social inclusion.
- 7) In global settings, the most frequently mentioned issue was the *3P Framework*, which stakeholders welcomed. Other relevant issues were the need for building *SPL systems*, the *Labor* challenges of informality and labor standards, as well as a focus on *Approaches to SPL* such as rights-based approaches.

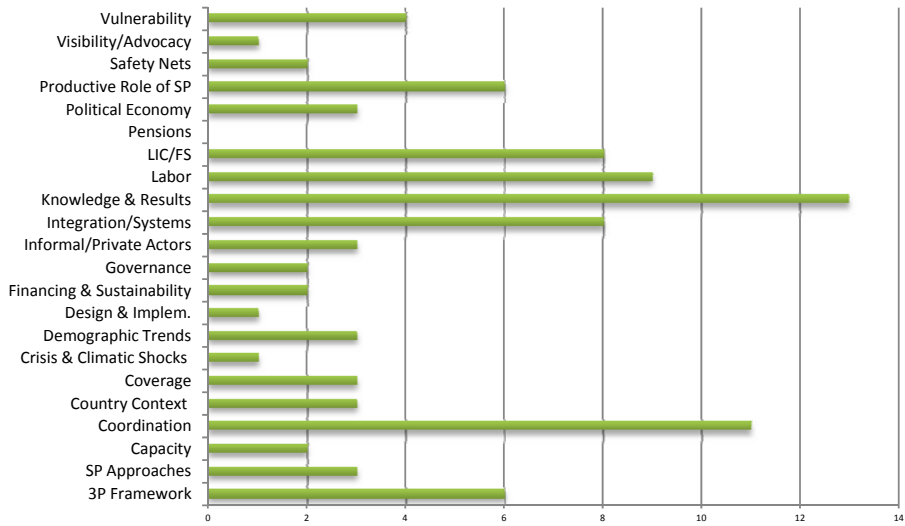
**Themes by Region, AFR**



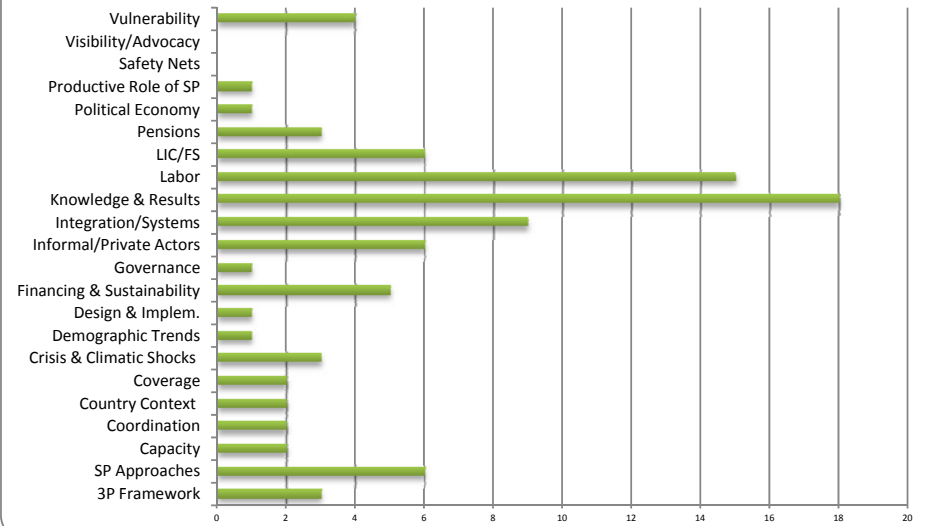
**Themes by Region, ECA**



**Themes by Region, EAP**

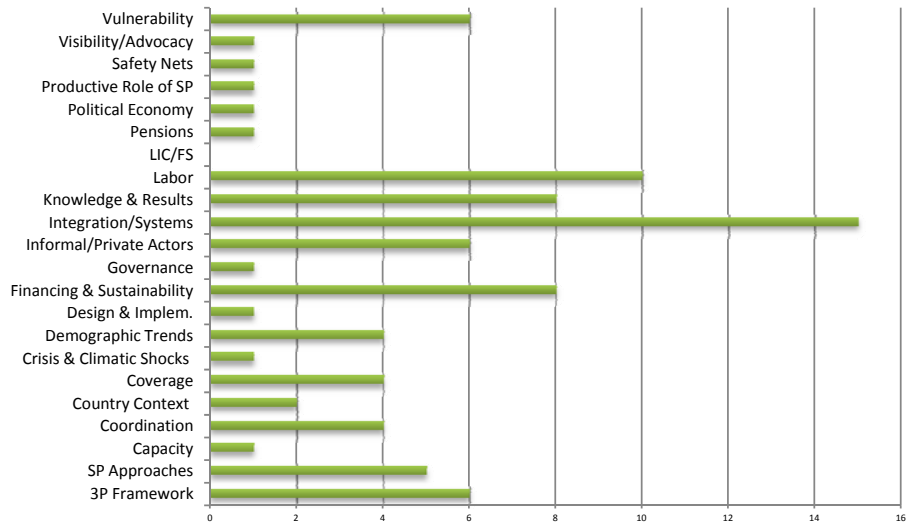


**Themes by Region, LAC**

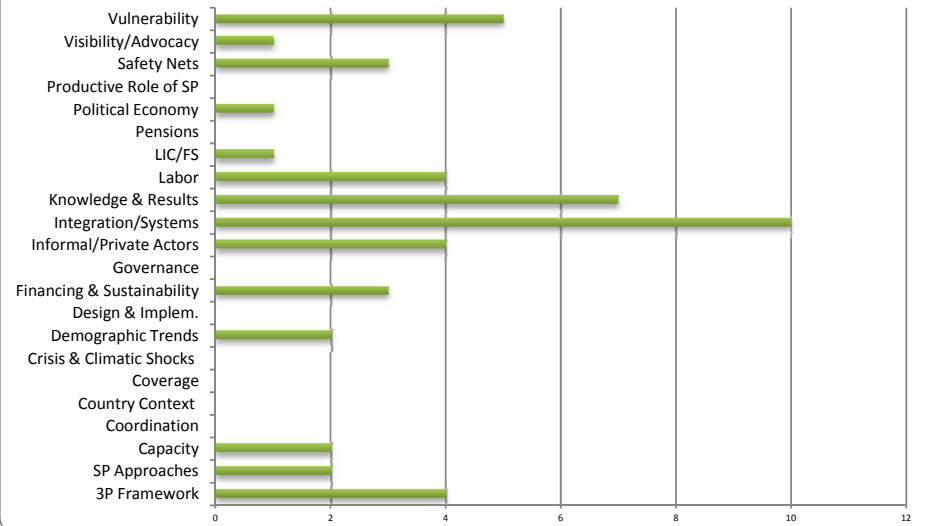




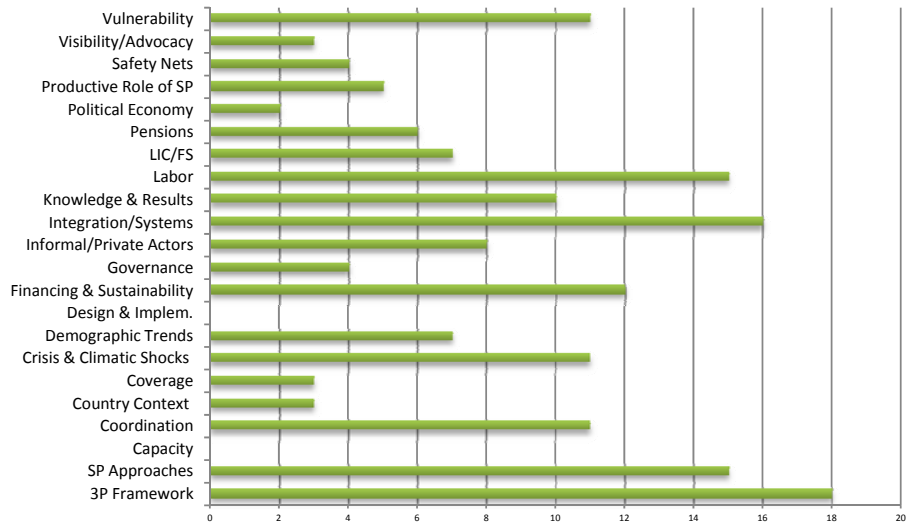
**Themes by region, MNA**



**Themes by Region, SAR**



**Themes by Region, WORLD**



### e. Feedback by Stakeholder

The following graphs show the distribution and relative importance of themes by stakeholder: Government, Development Agency (including IFIs), Civil Society Organizations (including local and international CSOs and Trade Unions), Research Institutes and Think Tanks, and Private Sector institutions.

Key messages from the analysis below are:

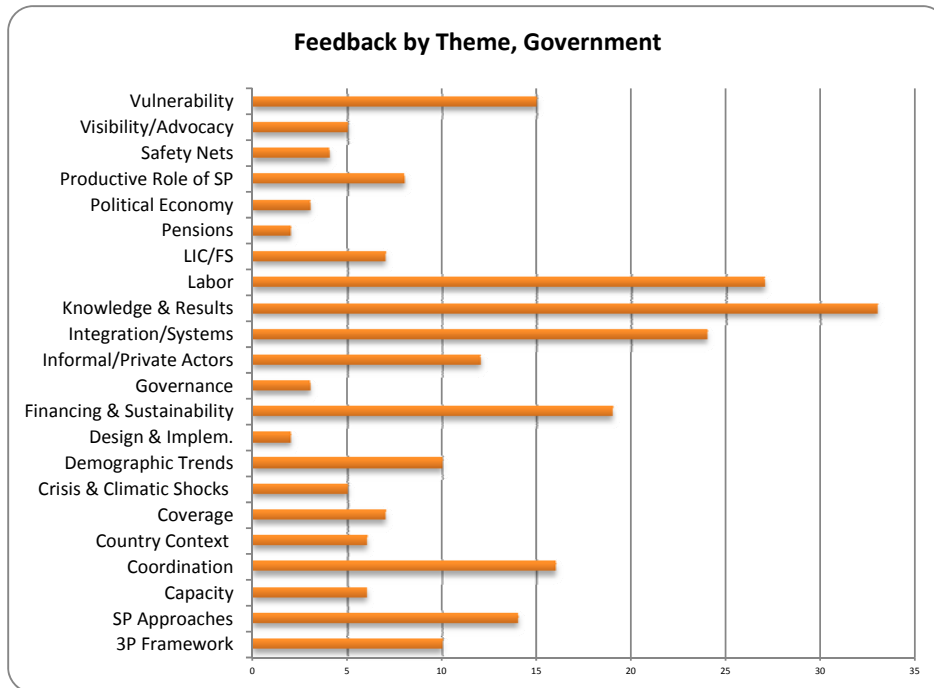
1) For government stakeholders, the top theme was *Knowledge and Results* with an emphasis on the use of data and benchmarks for evidence-based planning, and the need for increasing knowledge exchange. Another relevant theme was *Labor*, with an emphasis on education and skills training, followed by *Integration and Systems*.

2) For development agencies, the two most prominent themes were *Integration and systems*, together with *Approaches to SP*, with a focus on rights-based approaches and the transformative role of SP. Another frequently mentioned issue was the *3P framework*.

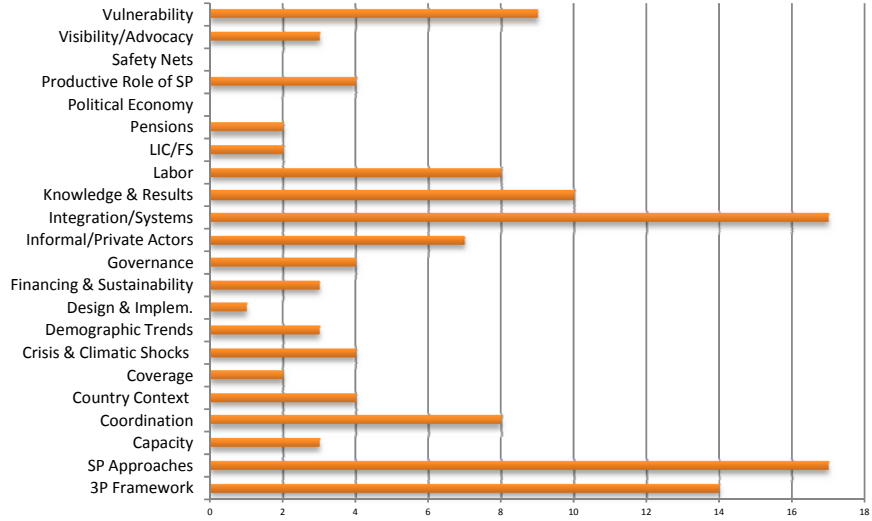
3) For CSOs, the most mentioned theme was the role of *Informal and Private Actors* for SPL, followed by the need to take into account *Vulnerable* groups and *Labor* issues.

4) For research institutions and think tanks, the top issues were the need for *Integration and building SPL systems* as well as promoting a focus on *Knowledge and Results*. *Labor* issues were also notably mentioned.

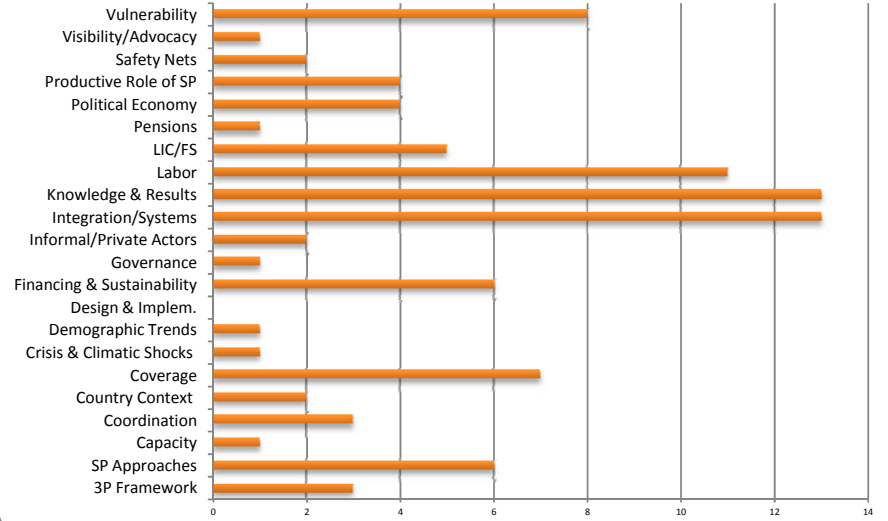
5) Private Sector stakeholders mostly commented on *Labor* issues and the role of *Informal and Private Actors* for SPL.



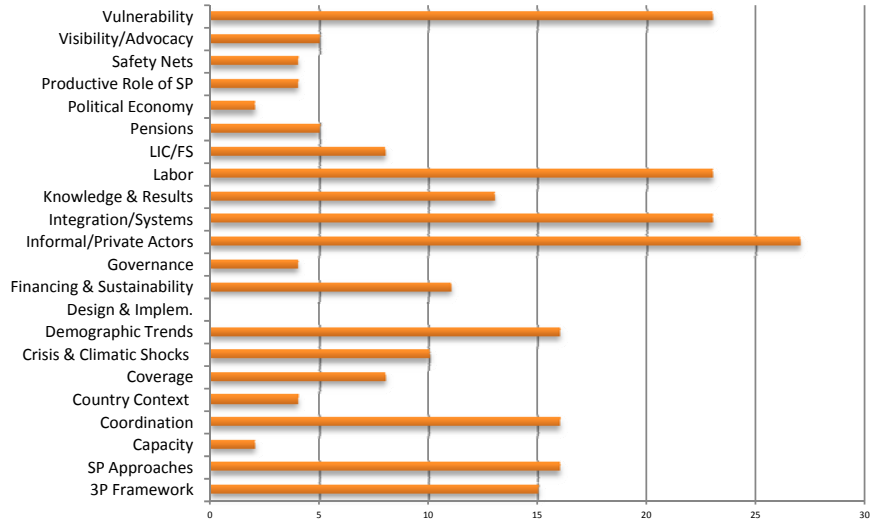
### Themes, Development Agency



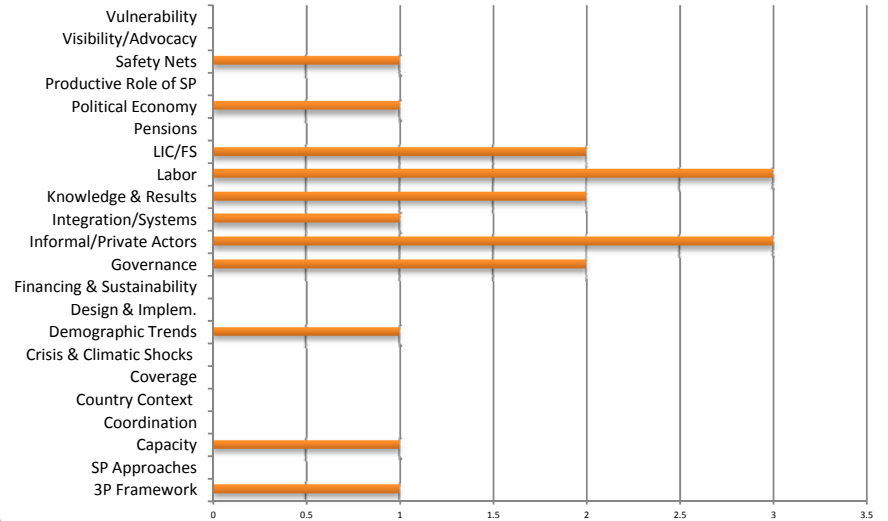
### Themes, Research and Think Tanks



### Themes, CSOs



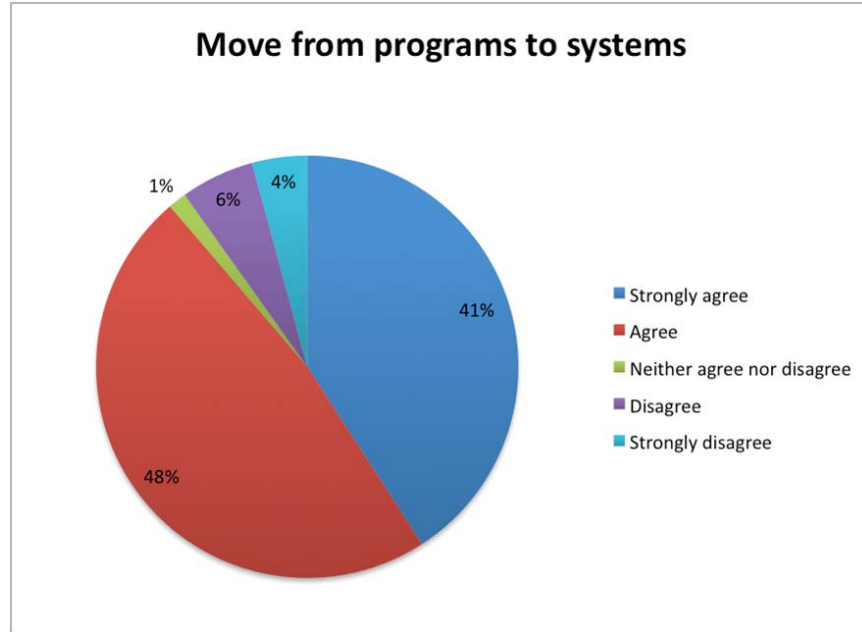
### Themes, Private Sector



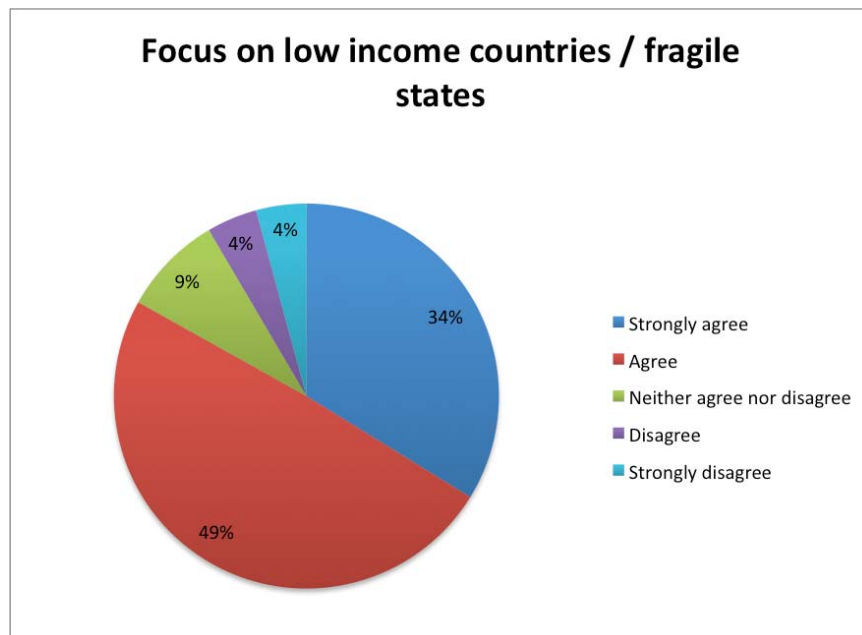
## Annex 2. Online Feedback on the proposed areas of focus

The following graphs show the online responses to the consultation questions as described below. The analysis is based on 71 responses to the four questions.

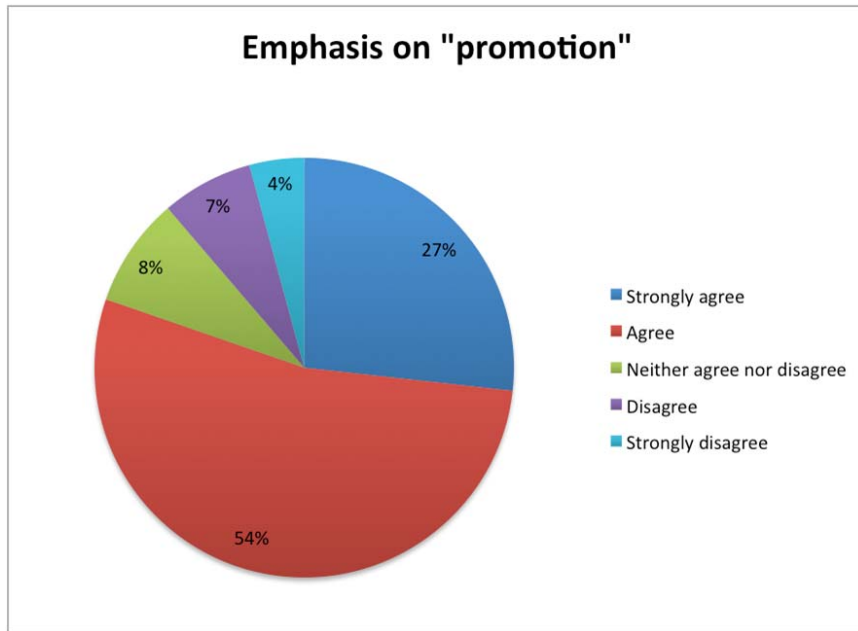
### a. What is your opinion regarding the emphasis on building SP+L Systems?



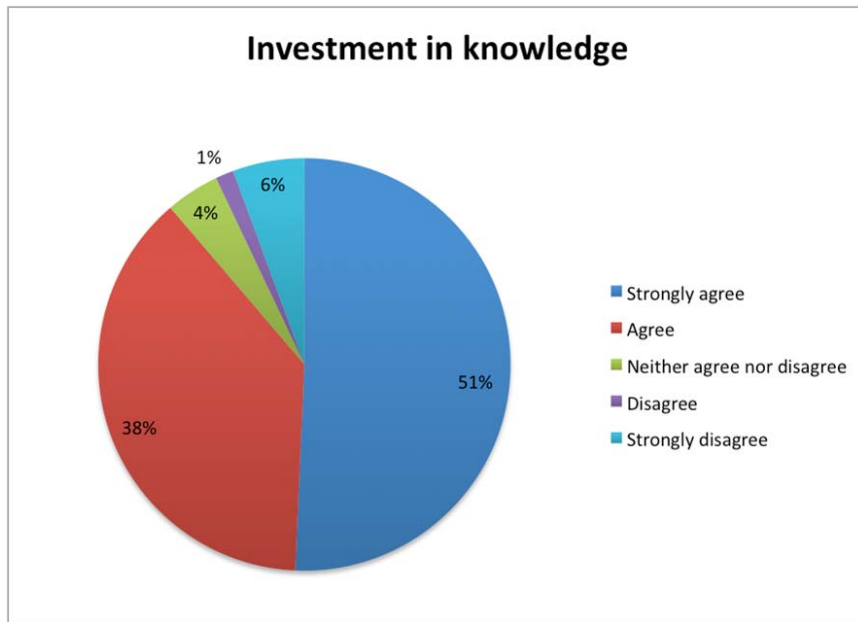
### b. What is your opinion regarding the emphasis on expanding coverage in LIC and fragile contexts?



c. What is your opinion regarding the emphasis on "promotion"?



d. What is your opinion regarding the emphasis on knowledge and results?



### Annex 3. Summary of the Advisory Group First Meeting



#### Social Protection & Labor Strategy Advisory Group

*First Meeting - Paris, April 27 and 28, 2011*

Participants from the Advisory Group: Fatima Al-Balooshi, Minister of Social Development (Bahrain); Victoria Garchitorena, President of the Ayala Foundation (Philippine); Evgeny Gontmacher, Former Minister of Labor in Russia, now Director for Social-Economic Development at the Institute of Contemporary Development (INSOR), and Head of the Center for Social Policy Studies at the Institute of Economics of the Russian Academy of Sciences, (Russia); James Dorbor Jallah, Deputy Minister for Sectoral and Regional Planning (Liberia); Romulo Paes de Sousa, Deputy Minister of Social Development (Brazil).<sup>4</sup>

Participants from the World Bank: Tamar Manuelyan Atinc (Vice President, Human Development Network), Arup Banerji (Director of Social Protection & Labor), Bassam Ramadan (Sector Manager, Social Protection & Labor), Laura Rawlings (Strategy & Results Team Leader, Social Protection & Labor, and Task Team Leader for the SPL Strategy), Federica Marzo (Young Professional, Social Protection & Labor, and focal point for the Advisory Group to the SPL Strategy).

#### Background

The World Bank convened a high-level external Advisory Group to bring expertise and insight to the development of the new Social Protection and Labor (SPL) Sector Strategy. The strategy will establish priorities and renew the World Bank's vision for social protection and labor issues in the decade ahead, with the objective of innovating and consolidating the World Bank's work in the sector.

This first Advisory Group meeting accomplished the main objectives set out, namely to:

- Help the World Bank team to shape a vision on the objectives and role of Social Protection and Labor and begin building a partnership to address the main challenges facing SPL today.
- Advise the World Bank on the relevance and applicability of the focus areas of the Social

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<sup>4</sup> The other three members of the Advisory Group were not able to join the Paris meeting: Ravi Kanbur, T. H. Lee Professor of World Affairs, International Professor of Applied Economics and Management, and Professor of Economics, Cornell University; Cai Fang, Director of the Institute of Population and Labor Economics at the Chinese Academy of Social Sciences, China; Jose Manuel Salazar-Xirinachs, Executive Director of the Employment Sector, International Labor Organization

Protection and Labor strategy, as outlined in the Concept Note;

- Advise the World Bank on how it can maximize its effectiveness with client countries in its Social Protection and Labor work over the next decade.

## Highlights

Over the two days of the Advisory Group meeting, there were rich and deep discussions around the objectives. The highlights from these discussions are as follows.

The Advisory Group fully endorsed the Concept Note and the 4 areas of focus it proposes as areas of emphasis needed to round out the World Bank's SPL practice in the next decade:

- Moving from programs to systems of social protection and labor.
- Increasing coverage, especially in low income countries and fragile states.
- Strengthening the links between SPL and productivity growth through promotion activities.
- Further investing in knowledge and results.

**The Advisory Group provided a key set of insights during the discussion for shaping the SPL strategy, on SPL operations, on the framework, and on the World Bank's role:**

### *A) On operationalizing SPL:*

- Maintain the useful focus on a systems approach to Social Protection, and do further work in adapting to different country contexts:

**Thinking more deeply about how to operationalize the systems approach, they can be built at three different levels:**

**1) Building the “nuts and bolts” of systems:** developing the tools and instruments (such as beneficiary registries, identification systems and payments mechanisms) that serve as a foundation for operationalizing and building a systems approach both within and across programs;

**2) Improving and coordinating existing programs:** while helping to improve the functioning and coverage of programs, to implement them in a coordinated way to facilitate systems integration; and

**3) Coordinating policies across systems and sectors/ministries:** to ensure complementarities and synergies, and to reduce overlaps and incentive issues.

The World Bank can help to provide knowledge and good practice, technical assistance and financial support to system building at all the three levels.

- Think about the role of key distributors of information and access, or “midfielders”

**In building SPL systems, the role of the “midfielder” can be key because s/he plays an intermediary role between providers and clients: as a repository and manager of information on programs and a point of contact with beneficiaries.** The midfielder's role (a football/soccer analogy) allows for program integration and coordination vis-à-vis the needs of different populations, including outreach to excluded groups. These intermediaries' missions and characteristics would differ according to institutional contexts and capacities, and the role could be played by a range of actors, including social workers, ministry or local government staff, as well as non-state actors including religious groups or other NGOs.

But in instituting a new role for “midfielders”, their role would need to be carefully defined – in order to avoid abuse of power, and to balance the social benefits of having harmonized and more efficient SPL programs with the social costs of state intrusiveness. Technology – and democratizing the availability of and access to information, can play an important role in checking and democratizing the power of midfielders.

- Define the roles of public, private formal and private informal actors

**The private sector – both informal and formal – has an important role to play in SPL.** Public SPL programs should not displace private and community initiatives; indeed, SPL programs can leverage these and partner with the private sector in three areas: **delivering** programs to beneficiaries, identifying and ensuring **access** for poor, excluded and hard-to-reach groups, and providing **accountability** mechanisms in terms of service quality and access.

Regulatory frameworks are particularly important to help define roles and responsibility among actors: between the public and private sector and across the different levels of government. A good regulatory framework would allow the development of synergies and complementarities between these actors (and avoid crowding out private initiatives), and increase accountability and transparency.

- Differentiate approaches: Rural/Traditional versus Urban/Modern sectors

**A differentiated approach is needed to reflect varying institutional and economic conditions – both across and within countries – recognizing that rural (traditional) environments have very different needs from urban (modern) ones.** Traditional settings have more of a need for integrated, cross- sectoral programs, which coordinate interventions to build assets and improve livelihoods. In more modern settings, standard instruments become more relevant -- with a stronger focus on matching labor market demand and supply through skills development and access to information.

Correspondingly, policy approaches in traditional settings will be more focused on working with families and communities, while an individual-focused approach will be more common in modern settings.

### ***B) On the conceptual framing:***

- Consider adopting a life-cycle approach

**It might be useful to consider using a life-cycle framing of SPL interventions, from early childhood to working age to old age, as a way to highlight different SPL programs and social choices.** Using a life- cycle analysis to assess countries’ programs and expenditures – looking at how much is spent on, and how many programs exist for, different age groups – would highlight gaps and overlaps in SPL programs, revealing societal preferences. It could also contribute to the harmonization of programs across SPL and clarify areas of collaboration with other social sectors, establishing a broader framework for human development.

- Emphasize the operational role of SPL programs to help realize the rights of SPL beneficiaries

**The meeting explored the role of human rights in Social Protection.** The Advisory Group encouraged the World Bank to take a pragmatic approach, while recognizing the importance of SPL



in combating destitution and ensuring access to basic services. The Group endorsed a country-led agenda, where priorities are derived from countries' social contracts, political systems and particular needs and capacities. The group recognized the principles of non-discrimination, participation and accountability as important vehicles for the realization of rights.

### *C) On the World Bank's role:*

- Improve the World Bank's responsiveness

**Banks instruments need to: 1) be flexible enough to adapt to country-specific needs, notably regarding timing; 2) take into account short term needs as balanced against the longer term provision of Prevention-Protection-Promotion functions, 3) adapt results timeframes to the demands of political cycles.** Given the pressures of globalization, climate change and recurrent crises, coupled with the varying and often immediate demands of a range of clients, the World Bank was urged to ensure its capacity to respond effectively. Ensuring flexibility and client-tailored responsiveness was seen to be key to securing ongoing demand for Bank engagement.

- "Think globally, act locally" in knowledge sharing

**It is useful for the World Bank to have differentiated products by areas of practice (social insurance, social safety nets and pensions), each characterized by different instruments and stages of knowledge. In each of these areas, and in working on SPL systems, the Bank has an important role to play in knowledge sharing,** notably through (1) facilitating capacity building through the production of guidelines, the sharing of practices across regions, and the provision of technical assistance; (2) engaging cross-sectorally, since sectoral divisions are often perceived as artificial by client countries.

- Improve communication and messaging on the value of SPL

**The World Bank needs to build evidence and prioritize communication on the demonstrated value of SPL. the World Bank** has roles as a producer of knowledge, a facilitator for knowledge sharing and a provider of technical assistance.

### **Follow up:**

**The next Advisory Group meeting will take place at the World Bank's Headquarters in Washington DC, on September 26-27, 2011** to secure Advisory Group input on the draft strategy.

- During the consultations on the draft strategy (around October-December 2011), the World Bank will coordinate with the Advisory Group will to organize selected regional roundtables.
- The World Bank Strategy team will set up an on-line space for discussion and information sharing
- Selected background papers will be circulated to Advisory Group members for comments.
- Members of the Advisory Group offered to explore the issues tackled during the meeting when dealing with their respective regional and intellectual networks.

#### ***Annex 4. Summary of the External Advisory Group Second Meeting***



#### **Social Protection & Labor Strategy Advisory Group**

***Second Meeting - Washington DC, September 26 and 27, 2011***

#### **Attendees from the Advisory Group:**

- **Victoria Garchitorea**, President of the Ayala Foundation, Philippines
- **Evgeny Gontmakher**, Former Minister of Labor in Russia, now Director for Social-Economic Development at the Institute of Contemporary Development (INSOR), and Head of the Center for Social Policy Studies at the Institute of Economics of the Russian Academy of Sciences, Russia
- **Romulo Paes de Sousa**, Deputy Minister of Social Development, Brazil
- **Jose Manuel Salazar**, Executive Director, Employment Sector, International Labor Organization
- **Samura Kamara**, Minister of Finance, Development, and Economic Planning, Sierra Leone
- **Cai Fang**, Director, Institute of Population and Labor Economics, Chinese Academy of Social Sciences, China

#### **Attendees from the World Bank:**

##### ***From the Social Protection Global Policy Unit:***

- **Arup Banerji** (Director of Social Protection & Labor)
- **Bassam Ramadan** (Sector Manager, Social Protection & Labor)
- **Laura Rawlings** (Strategy & Results Team Leader, Social Protection & Labor, and Task Team Leader for the new SPL Strategy)
- **Federica Marzo** (Young Professional, Social Protection & Labor, and focal point for the Advisory Group to the new SPL Strategy)
- **Cecilia Costella** (SPL Strategy Consultations Coordinator, Social Protection and Labor)

##### ***Invited members of the Social Protection and Labor Sector Board:***

- **Helena Ribe** (Sector Manager, Social Protection & Labor, Latin America and Caribbean Region)

- **Kathy Lindert** (Sector Manager, Social Protection & Labor, Europe and Central Asia Region)
- **Lynne Sherburne-Benz** (Sector Manager, Social Protection & Labor, Africa Region)
- **Mansoor Rashid** (Sector Manager, Social Protection & Labor, South Asia Region)
- **Roberta Gatti** (Sector Manager and Lead Economist, Human Development, Middle East and North Africa Region)
- **Xiaoqing Yu** (Sector Manager and Lead Economist, Human Development, East Asia and Pacific Region)

### ***Background***

The World Bank is preparing a renewed Social Protection and Labor Sector Strategy that will establish priorities and renew the World Bank's vision for the social protection sector in the decade ahead, with the objective of innovating and consolidating the World Bank's work in social protection and labor. The World Bank convened a high-level external Advisory Group to bring expertise and insight to the development of the new Social Protection and Labor (SPL) Sector Strategy.

### ***Objectives of the Workshop***

The workshop was the second occasion for the Advisory Group to gather to continue building a partnership around shared objectives and a common understanding of the main challenges facing SPL today. The meeting accomplished the main objectives set out, namely to:

- Get advice on the content and operational directions of the Draft Social Protection and Labor Strategy;
- Introduce the Advisory Group to the Human Development operational management team that will help implement the strategy, including the regional Social Protection Sector Managers and some of the regional Directors for Human Development.
- Coordinate on the second phase of consultations on the Draft Strategy (organizing focused regional roundtables)

The workshop discussions covered: 1) The main messages in the Draft Strategy; 2) Innovative ideas for implementing the strategy; and 3) How the World Bank can work most effectively in the decade ahead in both knowledge and operational work.

### ***Highlights***

Over the two days of the Advisory Group meeting, there were rich and deep discussions around the objectives. The highlights from these discussions are as follows.

#### **On the overall Strategy:**

- 1) **Seize the historic opportunity for SPL:** The world has recently been battered by the fuel, food and financial crises, with the poorest people bearing the majority of the burden.

Countries need to be prepared for crises and have portfolio of SPL options available with the appropriate tools, principles and commitments to make SPL work in crisis management.

- 2) **An Operational Focus for the SPL Strategy:** In the past decade, the social risk management framework served as a valuable conceptual underpinning to establishment of the World Bank's Social Protection and Labor practice. The practice is now global and well established, and the concept of risk management remains a key underpinning in the global practice of social protection. For the new strategy, there is a need to focus on operational aspects and on the business implications of the World Bank's established SPL practice.
- 3) **Social Cohesion as an SPL Objective:** The Strategy should acknowledge the important role of SPL in achieving social cohesion. SPL can contribute to managing the impacts of globalization driven by increased risk, strong demographic trends and growing interdependence. This is particularly salient in situations where existing private or informal social protection and labor arrangements are failing to provide adequate protection.
- 4) **Focus on Capacity Building:** There needs to be a stronger emphasis in building capacity of client governments to design and implement SPL Systems. the World Bank can play a role in convening across different sectors and actors and in identifying and sharing good practice.

#### **On SPL Systems:**

- 5) **Financing of SPL Systems:** The strategy needs to bring the question of financing of SPL systems to the forefront, including how to balance contributory and non-contributory mechanisms without discouraging participation in contributory programs.
- 6) **Vertical and Horizontal Aspects of Systems:** The SPL systems agenda needs to consider not only horizontal coordination at national level, but also consider the vertical linkages with state, regional and local agents. This is part of addressing fragmentation. There should also be a broader consideration of the use of 'midfielders' that play an intermediary role in service provision between providers and beneficiaries, thinking of these not only as individuals such as social workers, but to agents such as civil society organizations, social funds, or other (notably local) actors. They can be of particular value in places where state presence is weak or limited and point to an important role for civil society organizations and local actors.
- 7) **Coverage Agenda:** The focus on expanding the coverage of SPL needs to be an objective of SPL systems. The focus should be on building inclusive, S.M.A.R.T. SPL systems to be able to reach the right people, with the right incentives and benefits at the right time.

#### **On SPL practice areas:**

- 8) **Providing a appropriate framework for the Labor Markets discussion:** A framework such as MILES (Macro-economic policies, Investment climate institutions and infrastructure, Labor market regulations and institutions, Education and skills, Social Protection) would help orient the strategy discussion, notably to clarify that the SPL practice is primarily focused on labor supply issues, with a focus on the 'people' or "LES" part of the framework.

- 9) **Gainful Work and Productivity:** The strategy needs to emphasize productivity and the returns to labor. Increasing the productivity of work in formal but also in informal and rural areas means increasing the ability of poor people to use labor as a risk management instrument.
- 10) **Focus on Pensions:** The Strategy's treatment of pensions needs to recognize the value of a portfolio approach, emphasize the financial liability aspects of current systems given demographic projections and be cognizant of the problems encountered in the past with private mandatory schemes.
- 11) **Emphasize multi-sectoral coordination:** SPL needs coordination more than other sectors, not only because of fragmentation at institutional level but also because, in some societies, it is often central to the country's social compact. the World Bank can play a convening role across different sectors in a country.
- 12) **Diagnosing SPL Systems, sharing good practice and generating evidence on what works:** In implementing the knowledge aspects of the strategy, the World Bank's SPL practice should focus on diagnostics of SPL systems, sharing good practice across countries and generating evidence on performance.

#### ***Follow up***

- During the consultations on the draft strategy PPT, the World Bank will coordinate with the Advisory Group will to organize selected regional roundtables.
- Members of the Advisory Group offered to explore the issues tackled during the meeting when dealing with their respective regional and intellectual networks.