

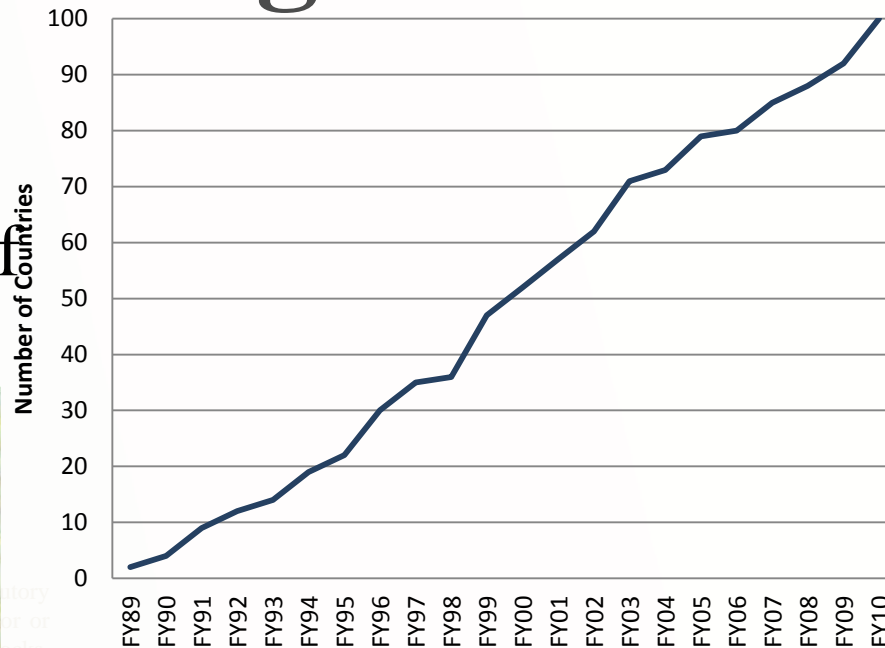
# Safety Nets at the Bank

[www.worldbank.org/safetynets](http://www.worldbank.org/safetynets)

Since 1987

## An Evolving Work Program

Safety Nets  
in Times of  
Crisis and of  
Growth



**Cumulative Number of Countries with  
World Bank Lending For Safety Nets**

As counted by Theme code 54

**Margaret Grosh**  
Global Expert  
Team for Safety  
Nets

Safety nets are non-contributory transfer programs targeted to the poor or those vulnerable to poverty and shocks. Some people refer to such programs described as social assistance or social welfare programs. Common safety net programs include: cash transfers, labor intensive public works programs, in-kind transfers such as school feeding Fee waivers for essential services, price subsidies, etc.

Cash Transfers,

## What Was Going on in the 1980s?

### In Development

- The international debt crisis
- Structural adjustment and attendant controversies
- The Lost Decade for Development
- Recognition of Social Costs of Crisis and Adjustment

### In the Bank

- Health and Ed portfolios small
- Just beginning to work on household survey data
- Just beginning to deal with civil society organizations

### In Safety Nets

- Chile invents the proxy means test in 1980
- Maharashtra state in India is running and evaluating an Employment Guarantee scheme
- Jamaica replaces food subsidies with food stamps in 1984
- The bleak prospects for growth and fiscal pressure puts social assistance and targeting on the agenda

1990

1995

2000

2005

2010

20

Headline 1987

# Bolivia ESF: 1st WB loan for social costs of adjustment

## Starts Wave of Social Funds

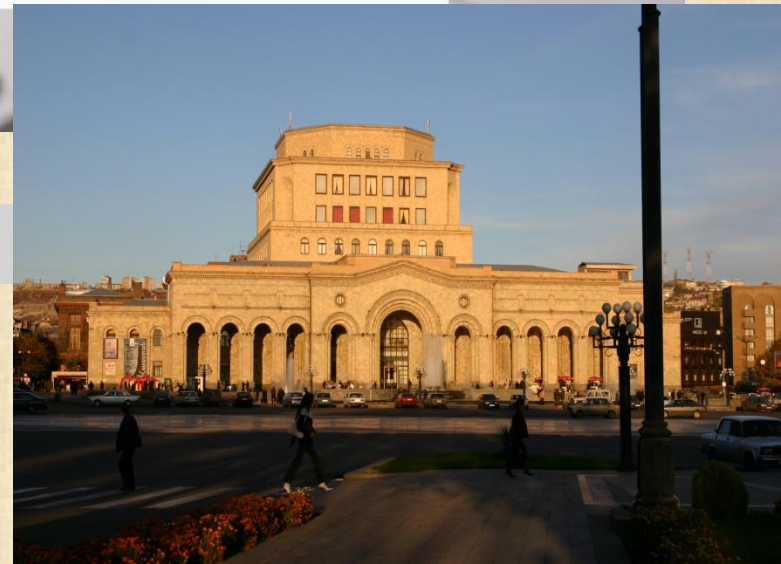
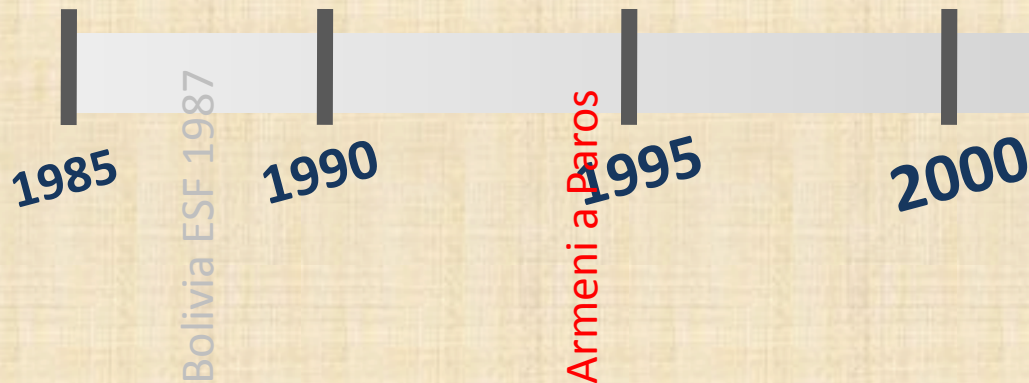
- vehicle for funding labor intensive public works
- quickly spreads to 50+ countries
- many evolve in directions of decentralization or CDD programs
- a plurality focus on labor intensive public works, response to natural disasters, or social care services



Headline 1994

# Armenia invents Paros PMT system

- initially used for humanitarian assistance
- in 1997 used to target new Family Poverty Benefit
- reform had elements common to others in the region:
  - consolidation of many small programs;
  - move from categorical to needs based targeting;
  - replaces untargeted electricity subsidy with targeted cash subsidy
- a continuing story of improving systems and results



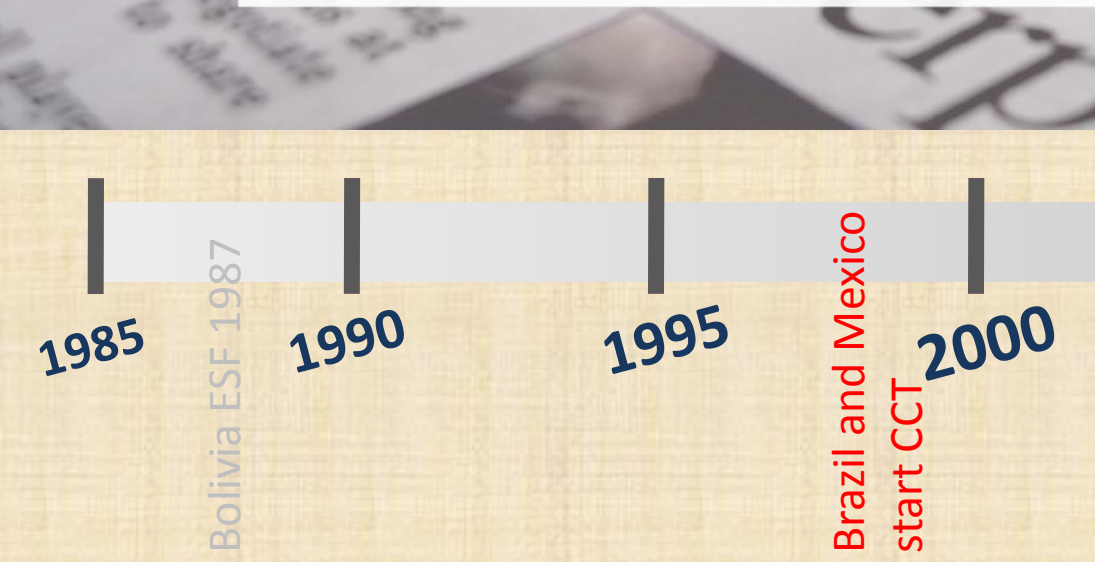


Headline 1995/7

# Brazil and Mexico start CCT Programs



- Beginning of wave of CCTs
- Spreads to 30+ countries
- Mexico's PROGRESSA sparks wave of rigorous impact evaluations
- Use of informatics and transparency provides a vision of modern, accountable social assistance



Headline 1998

## East Asia + Financial Crisis

### Actions:

- Many new programs of all types,
- Big upsurge in safety nets lending

### Lessons:

- Need for safety nets, ability to limit long term harm
- In need for prior investment in administrative systems



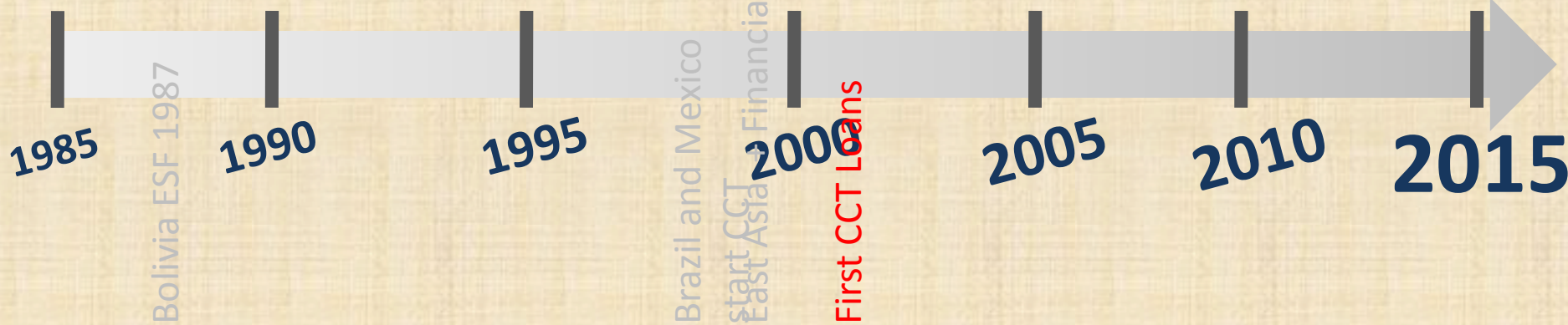
Headline 2001

# Colombia, Jamaica, Turkey 1<sup>st</sup> WB loans for CCTs

First time Bank lends for a cash transfer

Human capital argument in the co-responsibilities key to clearance through legal department

## Familias en Acción





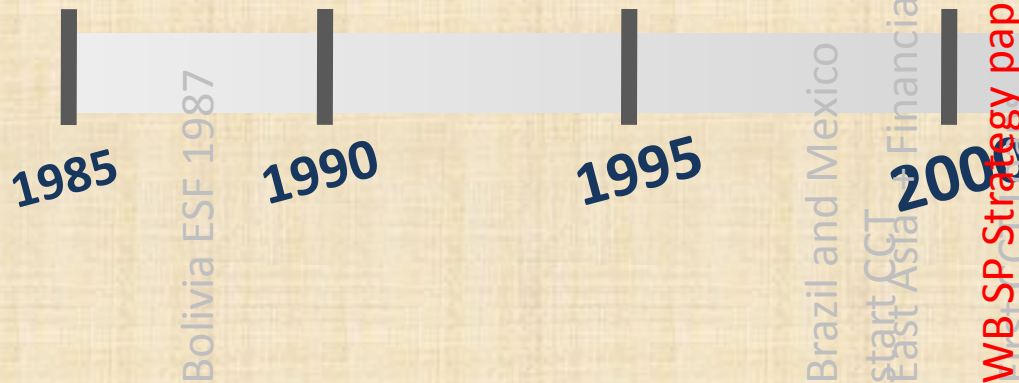
Headline 2001

# World Bank Social Protection Strategy Paper

Articulates efficiency motive for SSN to:

- help households manage risk
- help households invest
- help govts reform in other sectors

Messages resonate with clients, other donors, scholars





# Chile Solidario Established

- Focuses on chronic poor
- Linking them into many existing social protection programs
- Provides psycho-social support as well
- Is echoed in time in many other countries working on the “graduation” or ‘social inclusion’ or ‘activation’ agenda

1985

Bolivia ESF 1987

1990

1995

Brazil and Mexico

start CCT

2000

East Asia  
Financial crisis  
WB's CCT strategy paper

Chile Solidario

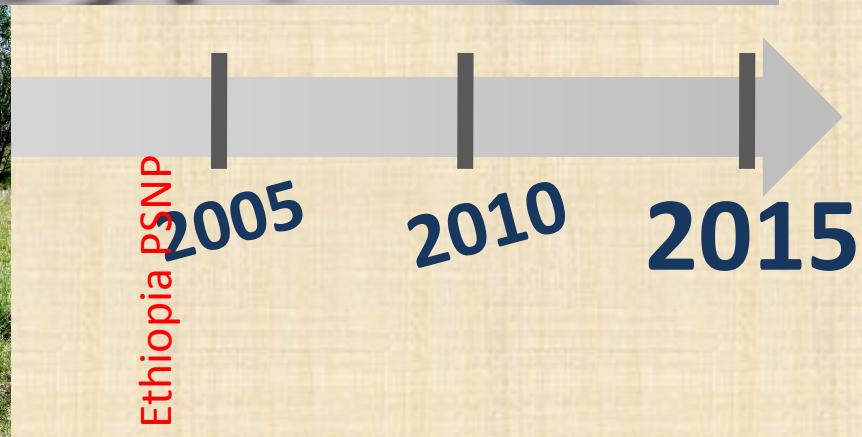
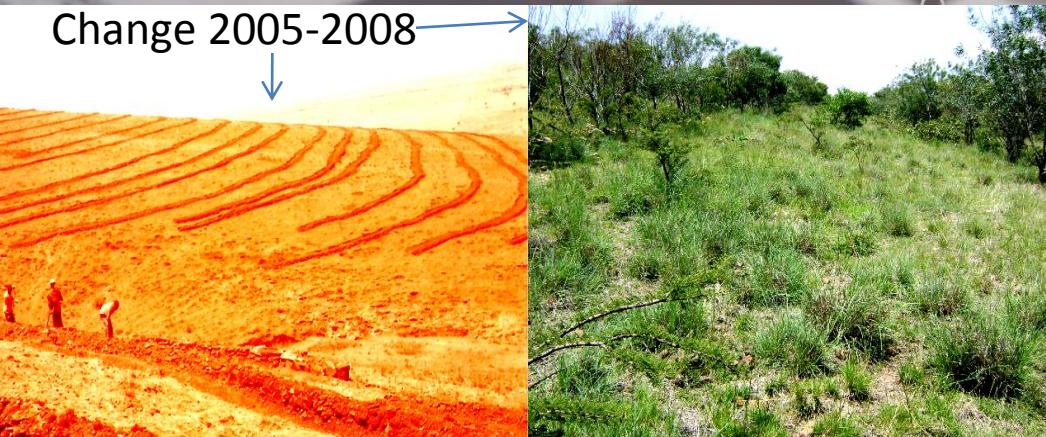


Headline 2004

# Ethiopia Productive Safety Net Program

- a large scale safety net
  - mostly public works
  - unconditional cash transfer for those who can't work
  - reform of humanitarian aid to make it more productive “saving livelihoods as well as lives”
- Exemplar of vision for low income countries,
- First WB investment financing for unconditional cash transfer

Change 2005-2008

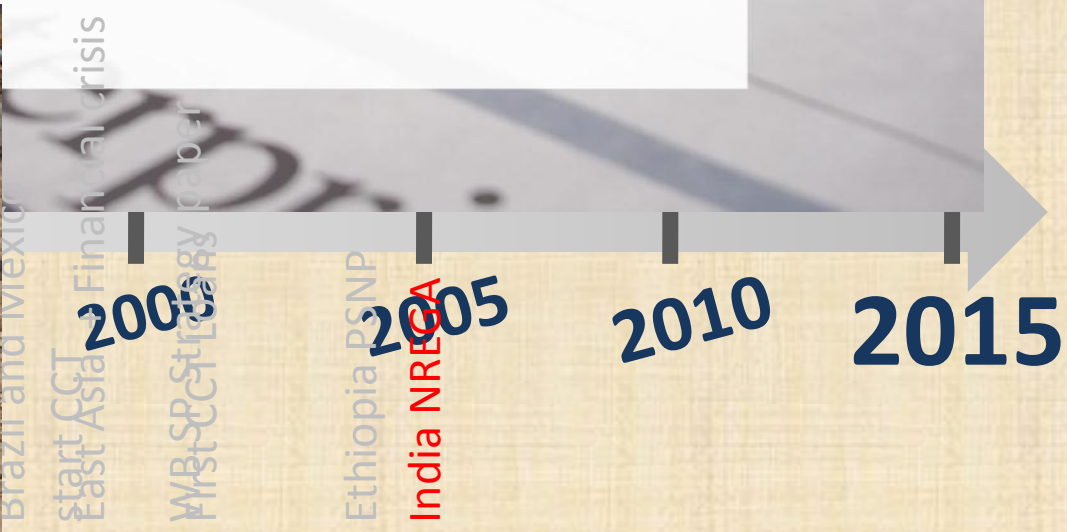




Headline 2005

# Mahatma Gandhi Indian National Rural Employment Guarantee Act (NREGA)

- Guarantees up to 100 days of employment per year for adult rural Indians
- A symbol of and inspiration to the rights based approach to social protection
- A reminder that of success is determined by implementation and governance



Headline 2006

# Livingstone Call for Action

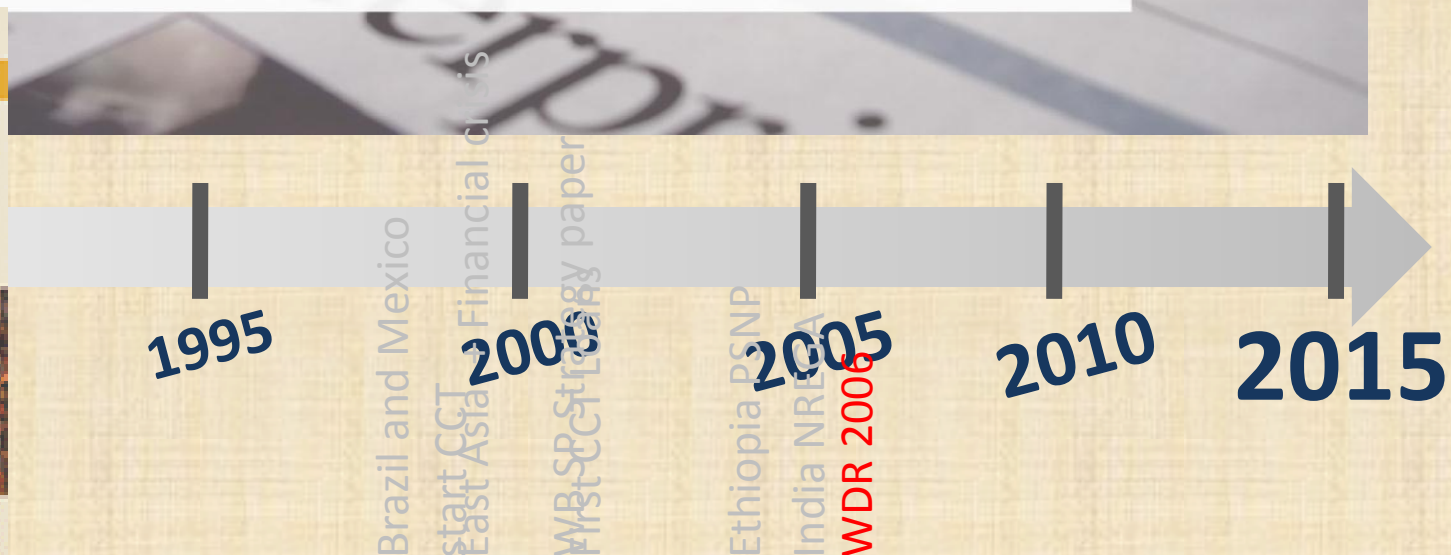
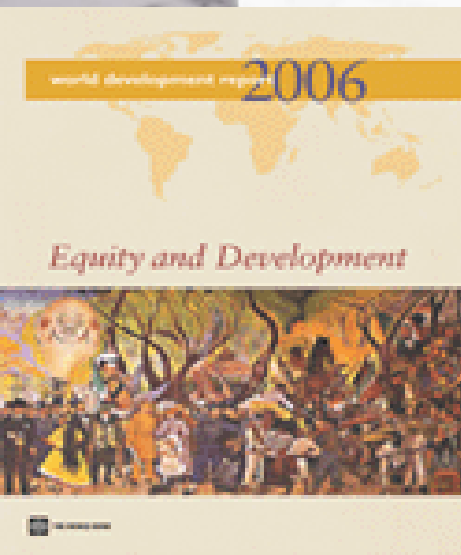
- Representatives from 13 African countries;
- Calls for more 'social transfer' programs,
- More capacity building, long term funding commitments;
- Sets schedule for developing costed local plans and bi-annual S-S conference





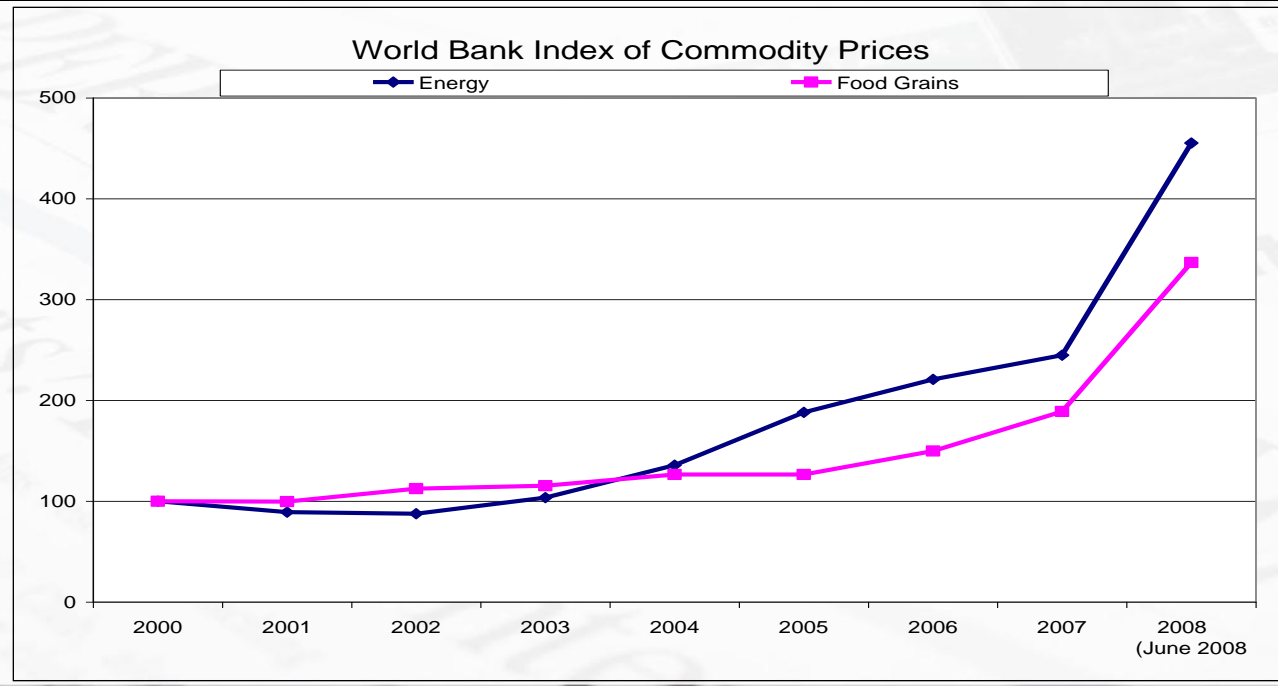
# World Bank WDR: Equity and Development

- Re-establishes within the World Bank the importance of equity, a language to discuss it
- Makes it easier to articulate that safety nets have both equity and risk management goals



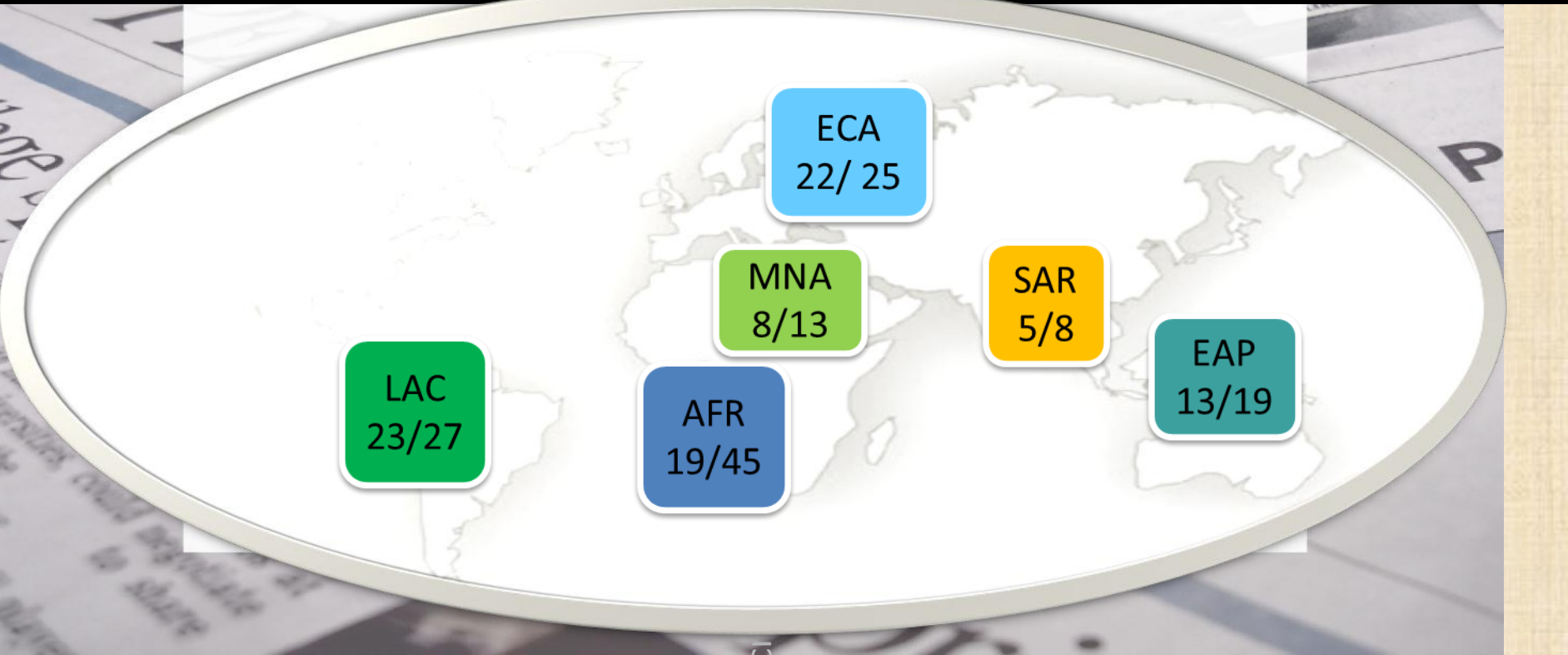
Headline 2008

# Food & Fuel Price Increases, Financial Crisis Hits



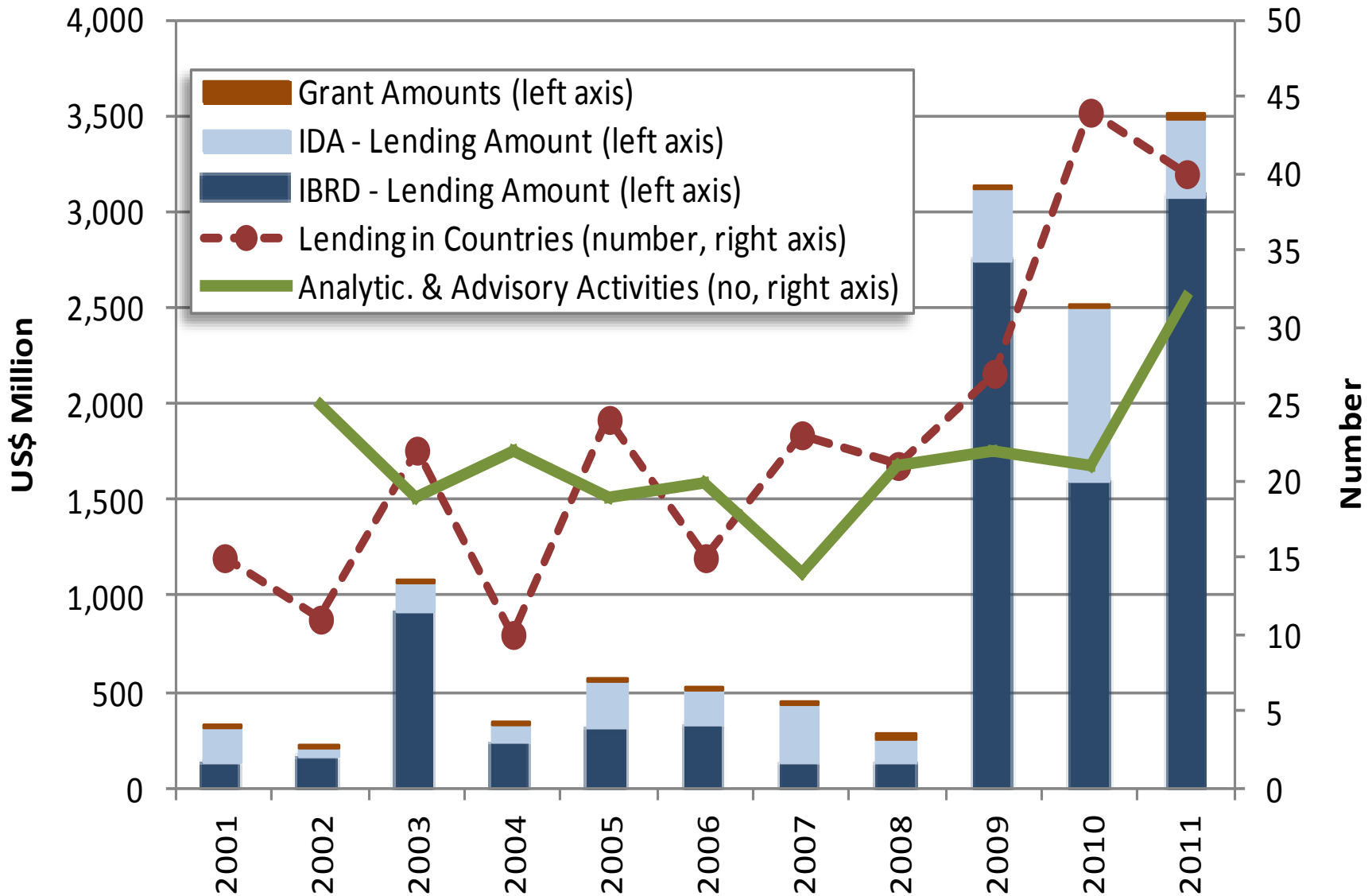
Headline 2008/9

# 2/3s developing countires improve SSN during crisis



# Feature Story 2008-2011

## World Bank Lending for SSN Surges





# Headline:

## The Expansion in Social Pensions

Iconic cases –South Africa, Brazil, Bolivia much earlier, but recently take off elsewhere

### Time Line of Social Pensions Reforms in Latin America

							BO					
							CH		BO			
					BR		BR		PE			
		AR	AR		EC	UY	PE	ES	PY			
MX		MX	CO	UY	MX	MX	UY	PA	TyT	PE		
2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013

# Feature Story: last few years

## IT Revolution

- Bio-ID (fingerprints, facial and iris screening)
- Branchless banking for payment systems
- Cell phone/tablet surveys and data systems
- Cheaper technology, more transparent processes, working on “last mile” issues



# Continuing Trends

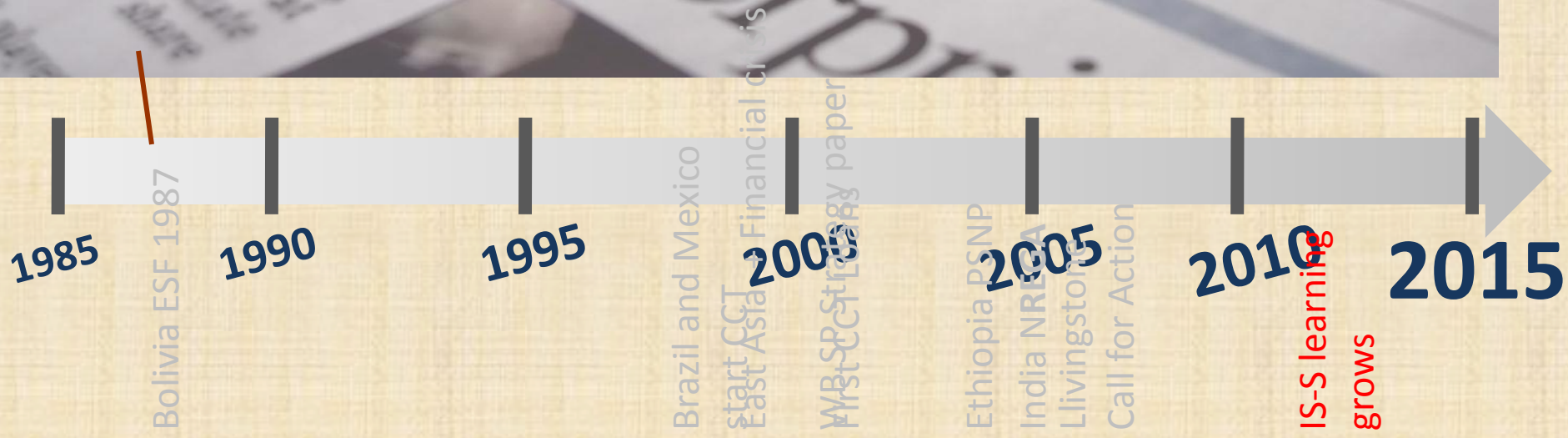
## S-S learning Big-Time

The time is ripe for it

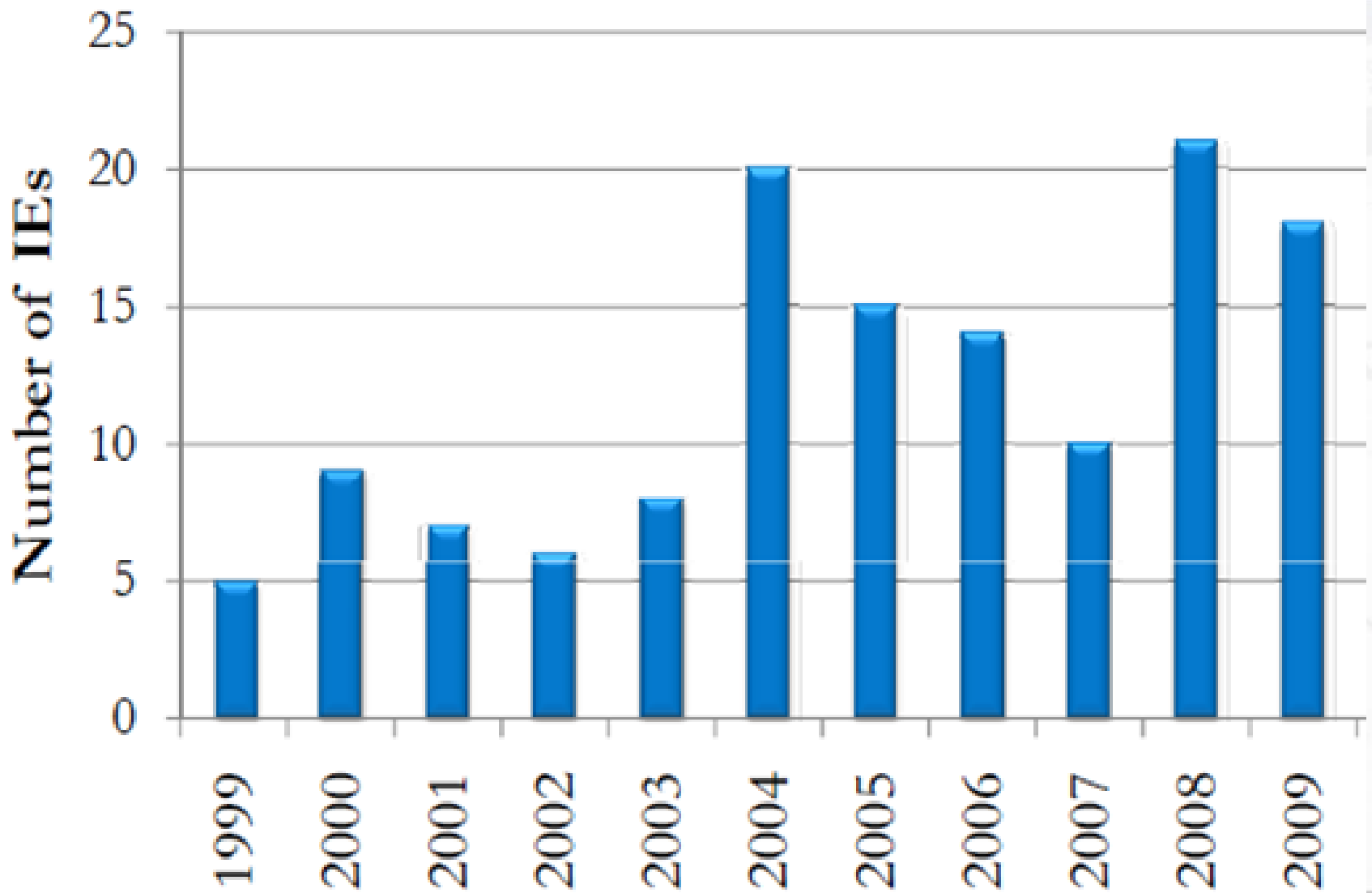
-- an explosion of policy action

-- How To issues prominent on agenda

Lots of activity in the field

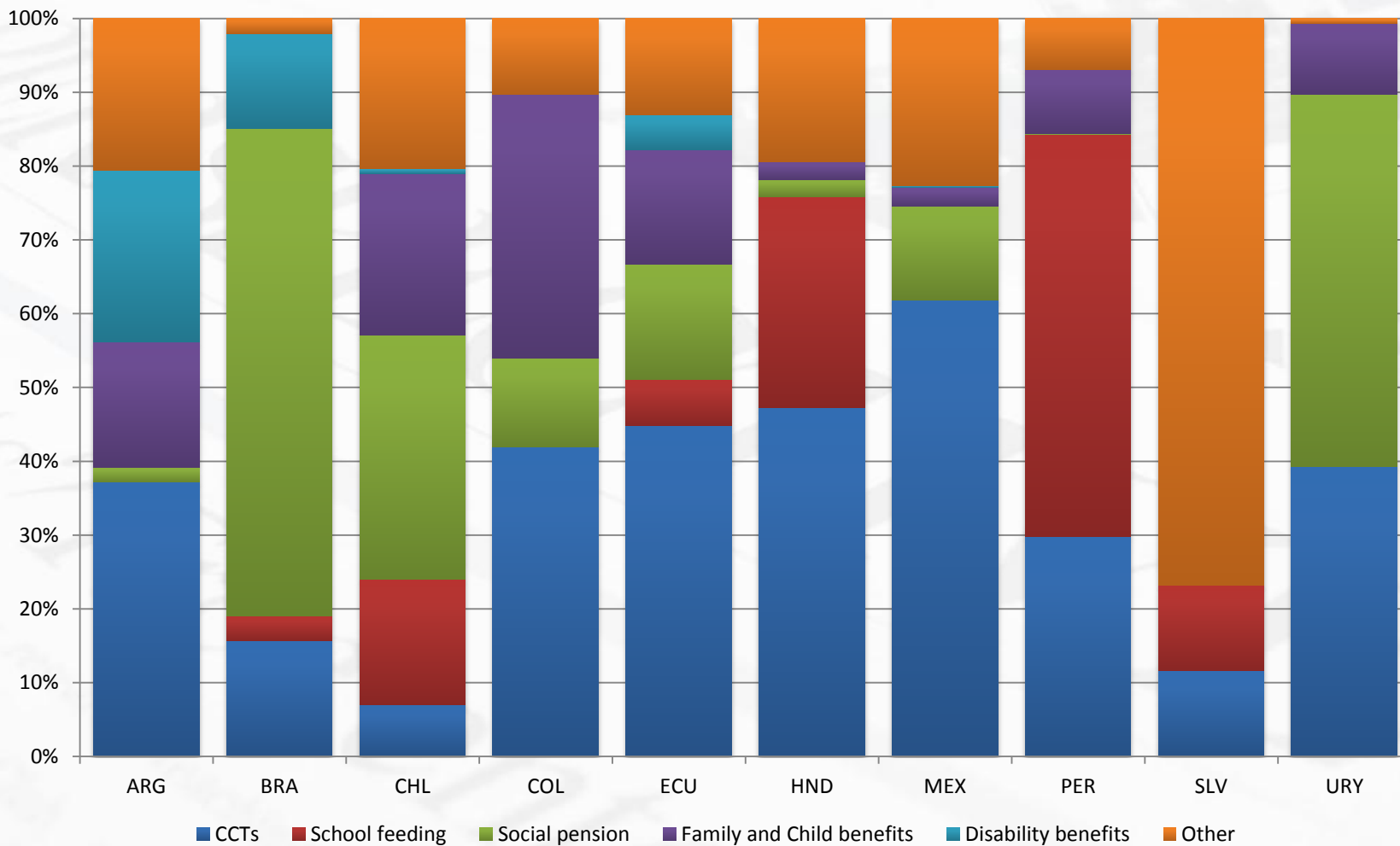


SSN are among the most evaluated areas in development





## Analysis at System as well as Program Level

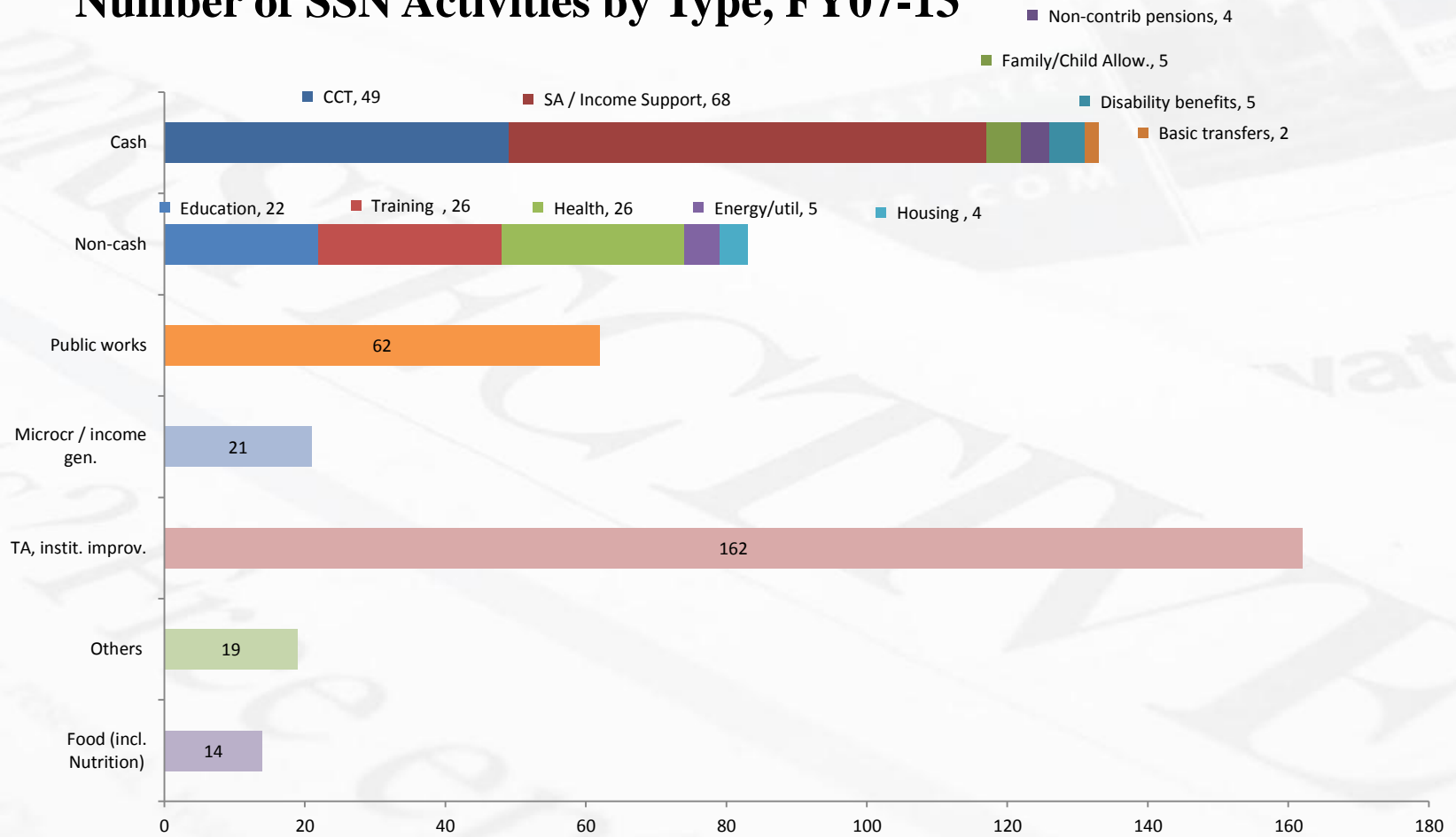


## Issues Today

- **Growing but not universal understanding of value of safety nets**
- **Lots of diversity and debate**
  - universal versus targeted programs;
  - conditional vs non-conditional,
  - shape and size of welfare state
- **Continuation of ‘first generation’ how-to issues, especially in low income countries**
- **Resurgence of interest in making SSN more “productive” via links to nutrition, education, labor markets, micro-finance, agriculture, etc.**
- **Maybe development of ‘missing instruments’ to support unemployed or employed with plummeting incomes?**

# World Bank Lending – a diverse portfolio

## Number of SSN Activities by Type, FY07-13





Website: News, events, publications



Publications Database



ADEPT SP & Other Toolkits



Primer Series

Core Course Training &  
South-South Learning Events



SSN How To

Coming Soon

ASPIRE World Atlas

Know How on Means  
Testing and Community  
Based Targeting

Urban Safety Nets

Dozens of country-specific  
engagements

Most Recent Flagship Publications

