SOCIAL PROTECTION

By Romulo Paes de Sousa, director of the UNDP World Centre for Sustainable Development

History of social protection programmes

Social protection in its contemporary form can be traced back to the 19th century. It arose as a response by the German Government to what they called the "social question". For more than five decades, labour movements rose up - sometimes radically - against poor working conditions, especially within the industries. In 1883, the German chancellor Otto von Bismarck accepted the Law of Health Insurance for Workers (Gesetz betreffend die Krankenversicherung der Arbeiter). The new law made health insurance national and mandatory for employees and co-funded by employees and employers. In 1884, the Law on Occupational Accidents Insurance was approved (Unfallversicherungsgesetz RGBl Nr. 19), aimed at protecting employees from accidents at work. This law attributed the employer the responsibility to compensate employees in case of work accidents. This model emerged as a conservative response to political pressures for more radical social reforms.

In the United States, social protection as a national policy can be seen as a response to the impact of the Great Depression. In 1935, the Social Security Act was enacted. This Law established two social insurance programmes: (i) retirement for the elderly and (ii) unemployment insurance. The Act also provided health services and social services for: pregnant women, children, the elderly and the blind.

In Brazil, there have been initiatives to give some level of social protection for civil servants since the 19th century. However, only in the Constitution of 1934 did the concept of "Social Security" first appear, which established the triple funding model (government, employer and employee). Under the regime of the 1946 Constitution, the Organic Law of Social Security was further detailed. It standardized the pension system expanding social protection and the creation of benefits based on circumstances that could increase vulnerability levels for families: birth, death and seclusion.

The 1988 Federal Constitution of Brazil, in its 8th Chapter, guarantees its citizens full rights to social security: health, social security and social assistance. However, some social protection initiatives, such as the Bolsa Família programme are still discretionary; in other words, they are not classified as constitutional rights and depend on the good will of each governing party.

Whilst present in all countries, the content and the size of investments in social protection vary enormously. In Europe, for example, in a broad model that considers health and employment generation policies, the amount invested as a percentage of GDP, in 2012, ranged from 14 per cent in Latvia to 34.6 per cent in Norway. In Brazil, investment in social protection in 2010, using the conceptual variable that includes health, was 20.5 per cent of GDP.

Types of social protection programmes

Social protection is a set of policies or programmes, usually provided by the government, that assists individuals, poor families or those living with other vulnerabilities, for various periods of life. It is also an essential component of strategies to combat poverty and other vulnerabilities, to reduce social exclusion and to increase resilience against economic, social and environmental shocks.
According to international literature, social protection programmes or policies can be broadly grouped into:

1) **Contributory** programmes, designed to protect beneficiaries from the effects of being excluded from the labour market due to age, health conditions (including pregnancy), and involuntary unemployment (passive labour market policies);

2) **Non-contributory** programmes including conditional and non-conditional cash transfers, the provision of food and meals, and social assistance programmes;

3) Active **labour market** policies, such as public employment services (labour intermediation, etc.), capacity building and training, subsidized employment, and legislation against discrimination.

Another system of social protection policies that is present in the literature, and which is widely used in Brazil, is the system that considers health as part of social protection along with social security and social assistance. In this case, social protection is the same as social security.

Job and income generation policies are often classified into another category, that of social promotion, which also includes educational and cultural policies.

**Importance of social protection**

In addition to the recognized positive impact on socio-demographic indicators of the population, there is evidence that social protection policies also have important economic impacts, such as:

- Increasing the productive capacity of the population served;
- Allowing capital accumulation and increasing investment in small businesses by beneficiaries;
- Increasing resilience to economic shocks;
- Enabling a multiplier effects of bottom-up economic growth, including increasing consumption and providing opportunities to non-beneficiaries.

In the most recent literature (as of 2015), *social protection is argued to serve as a shield against economic, social and environmental shocks*. Policies of this type can offer increased resilience to vulnerable populations. This does not mean that structural aspects regarding the economic and social conditions of vulnerable populations should be ignored. Acute shocks with profound and wide impacts usually have disproportionate and greater effects on the most vulnerable populations. For example, the effects of water crises, armed conflicts and the slowdown of economic activities impact the poorest populations faster, more broadly and severely.

**Definition of social protection**

The use of the term social protection within social work literature is presented with three different definitions.

Firstly, it is used as a synonym for social security. In this case, social assistance is defined as non-contributory social protection, to differentiate it from social security, which is defined as entry into the labour market and individual financial contributions to mandatory pension funds.

According to the current wording of Brazil’s Organic Law of Social Assistance (LOAS), social protection is defined in two different ways: as an objective of Social Assistance, along with social vigilance and the promotion of social assistance rights; and as a category of services to vulnerable populations, divided into basic and special categories.

**Targeted groups in social protection**

The reference populations for social protection are: families, pregnant and breastfeeding women, children, adolescents, the elderly, and people with disabilities. Thus, the main vulnerable groups that are the subjects of social protection policy strongly correlate to the target audiences that were defined in the genesis of social policy in Europe and in the USA.
Global trends in social protection

After the last decade of the 20th century, social protection as a public policy has advanced considerably in Latin America. In a scenario of economic growth coupled with persistent high levels of inequality, the limited portfolio of policies to combat poverty that existed at the time fell short of citizens’ expectations. With a rapid expansion of conditional cash transfer programmes, non-contributory social protection policies also expanded via increases in public investment, the diversification of social services, expansion or emergence of a specialized public bureaucracy and institutionalization of policies along with the review of institutional arrangements and legal frameworks.

More recently in Asia - and in the second decade of this century in the African continent - investments in contributory and non-contributory social protection policies have begun to emerge. Recent restrictive adjustments in European social protection systems, which vary depending on the demographic dynamics, have reduced the funding capacity of governments and have provoked an increase of political adherence to liberal theories. These trends seem to have put a portion of developed countries on the opposite track of developing countries. While some of the pioneers of contemporary models of social protection are adjusting their levels of social protection, developing countries are pursuing the construction of social protection systems that contribute to reducing poverty and social inequalities.

REFERENCES


CASH TRANSFERS

By Romulo Paes de Sousa and Mirka Wendt

Types of cash transfers

Cash transfers are specific forms of social protection that involve contributory or non-contributory monetary transfers.

Contributory transfers refer to protection mechanisms for workers and their families against the temporary or permanent loss of employment and, consequently, income.

Under this modality, the transfers include retirement, pension and benefits related to the occasional suspension of work activity are funded by employees and employers in the private sector. In Brazil, participation in the formal labour market implies compulsory membership to the General Social Security System. However, federal civil servants are organized under a single legal regime which is still heavily subsidized by the State. The latter model is reproduced at sub-national levels and is based on each state's own social security structures. Other transfers that are connected to the labour market, but that are financed by different sources of security, are unemployment insurance - including aid to the workers rescued from slave labour - and salary bonuses.
The non-contributory transfers are, on the other hand, aimed at the protection of vulnerable individuals regardless of whether they are part of the social security systems or not.

These transfers can be conditional or unconditional for individuals or families. In Brazil, the main federal programmes for non-contributory cash transfers under social assistance regimes are: **Bolsa Família** programme, **Social Protection of Persons with Disabilities; Social Protection for the Elderly** and the **Programme for the Eradication of Child Labour (PETI)**.

The **Bolsa Família** programme is a conditional cash transfer programme, in other words, it provides financial transfers to families who must in return commit to improving the level of education, health and nutrition of their children. Pregnant women, in turn, must commit to regularly using provided health services.

The **Programme for the Eradication of Child Labour**, which today is integrated operationally to the Bolsa Família Programme, is also a conditional cash transfer programme seeking to prevent any form of child labour until the child reaches 16 years of age; between this age and 18, they can be admitted to work only as apprentices.

Social protection for the elderly and disabled, also known as **Continuous Cash Benefit** (BPC for the Elderly and BPC for the Disabled), is intended for individuals who receive less than one-fourth of the minimum wage and for people who have disabilities that incapacitate them for labour (BPC for the Disabled). The benefit received by these individuals is equal to the minimum wage.

**History of cash transfers implementation**

Contemporary programmes of non-contributory cash transfers emerged as an alternative for the protection of the elderly that were not covered by the traditional retirement systems. This was the case of the non-contributory pension scheme that started in 1913 and was provided by the **Swedish Government** to individuals over the age of 67. Another example is the universal retirement plan implemented in **Mauritius** during the 1950s.

Another form of cash transfer emerged in some **European countries** after World War II: aid for childbirth (childbirth grant), which aimed to cover the initial expenses for new-borns and lead to the creation of birth records. Thus, this modality was established as one of the early cases of conditional cash transfers.

Cash transfers also emerged as policies that provided for immediate relief in emergency situations. The use of cash transfers as emergency responses was first seen in interventions by the **Red Cross** in the nineteenth century. During the Franco-Prussian War, from **1870-1871**, transfers were used as strategies for immediate relief of hunger and poverty. In more recent times, a coordinated action by the **United Nations Children's Fund (UNICEF)** was carried out in **Ethiopia** during the famine in 1984-85, known as the Cash-for-Food Programme. The programme was based on **Amartya Sen**'s theory that famine was a result of the poorest populations’ lack of access to food, rather than the result of failure of a country's food production capacity.

In **Brazil** advance payments of the **Bolsa Família** and **BPC** act as emergency responses from the federal government in the wake of disaster situations. An example of this was the anticipation of the Bolsa Familia payments to municipalities affected by the floods in Santa Catarina in 2008. Soon after, BPC also adopted this same procedure, and the regulations for this type of use came about in 2010. This allows for all the beneficiaries of a municipality to receive their cash withdrawals upfront. With the Bolsa Família programme card, families that are linked to this programme and are hit by disasters can receive other occasional transfers, such as the **Social Rent** programmes, which are state/local-run programmes for families who do not have housing or cannot afford to pay rent. Since their introduction, transfer programmes have changed the logic of financial transfers. For example, the retirement and pension-based model focuses on specific population groups that are in some way linked to the formal labour market. Social assistance cash transfers started to cover other vulnerable groups as well as whole families, not only those connected to the formal labour market.
History of conditional cash transfers

In 1989 in Romania, a conditional cash transfer programme to increase school attendance in school-aged children was initiated. A programme to promote women’s secondary level education started in 1993 in Bangladesh (Bangladesh Female Secondary School Assistance). The transfer was intended to cover the costs associated with the secondary or high-school education for girls. As a condition the girls needed to show attendance higher than 75 per cent, remain single and demonstrate results in the annual school tests that were above 45 per cent.

In Latin America, the pioneers of income transfer programmes surfaced in Brazil as sub-national programmes (Campinas and Brasilia) which started in 1995. In Mexico, these programmes were introduced as a federal programme in 1997. Both Brazilian programmes were called Bolsa Escola and transferred income to poor families, in return for greater school attendance of school-aged children (for families of up to 3 children). In 2001, the Bolsa Escola programme was implemented throughout Brazil following the pilot deployed in Campinas and Brasilia. The Mexican Progresa programme required families to not only commit to regular school attendance of their children, but also to the regular use of health services and increased nutritional support. Later, in 2002, Progresa was renamed Oportunidades but its content remained substantially the same. In 2014, the programme was re-named as Prospera, in order to add a greater emphasis on productive inclusion, while maintaining its other unique features. Since its beginning, the Prospera programme has served 5.8 million families.

In September 2003, the Bolsa Familia programme was introduced in Brazil as a result of the progressive fusion of four different income transfer programmes: The School Grant (Bolsa Escola) the Food Grant, and the Gas aid (that was created in 2001) and the Food Card - created in 2003. The objective of the Bolsa Familia programme is to combat hunger and poverty, with direct transfer of financial benefits being dependent on certain conditions. These conditions are related to social rights in the areas of health, nutrition, education and social assistance. In September 2015, the Bolsa Familia programme, aiming to complement low income, reached 13.9 million families. As of November 2015, the programme targeted poor and extremely poor families, the latter being defined as families with per capita income below 77 reais and for the former, a per capita income between 77.01 to 154 reais. The benefits are organized as follows: basic (77 reais), variable (35-175 reais), young variable (44-88 reais), overcoming extreme poverty (equal to the difference between the family average income and the extreme poverty threshold). Only extremely poor families are entitled to the basic benefits. The variables of the benefits are related to the demographic composition of the beneficiary families. The benefit under the “variable” category corresponds to 35 reais multiplied by the number of children/dependents under 16, and pregnant and/or breastfeeding women, (with a limit of 5 dependents). The benefit under the “young variable” category corresponds to 44 reais multiplied by the number of children/dependents between 16 and 18 with the limit of 2 dependents.

Conditional cash transfer programmes today

Contemporary “conditional income transfer” programmes first emerged in developing countries at the end of the 1980s. As of 2014, 52 countries implemented conditional income transfer programmes, and in Latin America 18 conditional income transfer programmes similar to the Brazilian and Mexican programmes described above exist.

Origins and results of the Bolsa Familia programme

In regard to the extension of coverage and expansion of social rights, Bolsa Familia can be compared to four major recent initiatives in terms of social policy in Brazilian history: the extension of pension rights to non-contributing rural workers in the 1960s; the emergence of social protection through the non-contributory Monthly Lifetime Income in the 1970s; the implementation of the Unified Health System, in 1988; and the expansion of basic education coverage in the 1990s.

The consolidation of Bolsa Familia brought the following major contributions to social protection in Brazil:
1. Standardizing of the criteria of existing conditional income transfer programmes, such as the criteria for eligibility, registration, conditionalities, payment, management model, social participation and financing. This helped to eliminate the overlap of benefits which produced an unequal model in terms of access for beneficiaries. A monitoring and evaluation system that did not exist in the previous programmes was introduced, in addition to establishing links with the health, education, welfare and energy sectors, which previously were competing for very similar target audiences;

2. Expansion of services for the social assistance target population, who had access to basic protection as the first layer of public goods;

3. Poverty reduction, which is one of the most important components in reducing extreme poverty, along with access to an income. Child malnutrition in the semiarid region and within traditional populations was also reduced as a result of the programme;

4. Positive impact on changing the behavior of families regarding mortality of children under 5 years of age from poverty-related causes; child nutrition; education of children, particularly adolescents in the Northeast; vaccination; and prenatal consultations and empowerment of women in the community and at home;

5. Definition of a benchmark for benefit grants, management and payment model in public policies in other sectors such as security, culture and sports;

6. Creation of a paradigm for the registry of the target audience of public policy- the Unified Registry, and the creation of a means for receiving public financial benefits, the Bolsa Familia card.

**Global trends in conditional cash transfers**

Periods of fiscal expansion in the early 2000s have allowed Latin America to increasingly scale up it social protection policies. In Brazil, the cash transfers have experienced a steady growth, which have in turn strengthened other social policies. The economic crisis that hit much of the world in 2008 began to slow down social protection policies in Europe and brought to the debate the possibility of cuts in social protection programmes, including in conditional transfers. Brazil's main transfer programmes have different weaknesses. The connection of the BPC with the minimum wage imposes a high tax burden on the federal government. However, the Bolsa Familia, as a discretionary programme, is subject to content changes especially in times of crisis, although this has not happened yet (until 2015).

An issue in Brazil different from other Latin American countries, concerns education and the emancipation of beneficiary families of the conditional transfers. It was an issue that was debated during the initial period of implementation of the programme, but was soon replaced by a more law-based notion of rights. In Africa, however, this issue has reached great proportions, and is associated with ideological tensions, in which relevant political actors believe that income transfers should be transitional in overcoming poverty. The experience of Latin America shows that overcoming cycles of poverty is more dependent on economic expansion itself than on intrinsic mechanisms of transfer programmes.

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World Centre for Sustainable Development (RIO+ Centre)
United Nations Development Programme (UNDP)
Rua México, 168, 5thfloor, Centro • Rio de Janeiro, RJ, Brazil.

rio.mais@undp.org • http://www.riopluscentre.org/