CHAPTER 5

The Emergence of Adaptive Social Protection

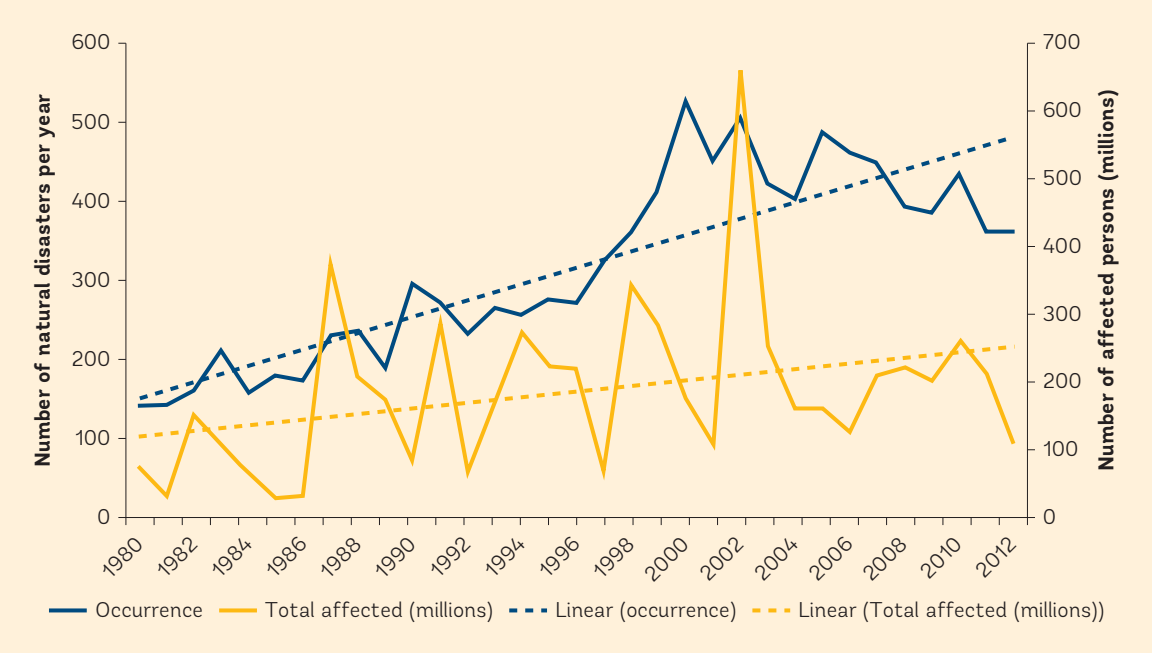
WHY DOES THE WORLD NEED ADAPTIVE SOCIAL PROTECTION?

Today's global landscape is fraught with multiple, interconnected, and often devastating shocks. Between 1980 and 2012, the annual frequency of natural disasters increased by 250 percent and the number of people affected increased 140 percent (figure 5.1). Climate change is expected to exacerbate these trends and, without climate-informed development, to push an additional 100 million people into extreme poverty by 2030 (World Bank 2016b). Forced displacement also has hit record highs; on average, 20 persons were estimated to have fled their homes every 60 seconds in 2016 (UNHCR 2016). In total, more than 64 million people were displaced worldwide by the end of 2015 (figure 5.2). Furthermore, the worst economic and financial shock in recent history materialized less than a decade ago, and the 2014 Ebola outbreak reawakened the global community to the potential devastation of pandemics. Such shocks, their trends, and associated risks are deeply interconnected (see, for example, WEF 2017), creating an environment of heightened complexity for households, policy makers, and practitioners alike to navigate.

Never has the challenge been more acute for social safety nets (SSNs) to build household resilience and to respond to shocks across the life cycle. Significant progress has been made in the past decade in terms of introducing new SSN programs and scaling up existing programs to expand the coverage of the poorest, as this book details. As a result, safety nets are better positioned than ever to help households manage the risks associated with the multiplicity and complexity of shocks. Indeed, SSNs and the broader social protection suite of policies, programs, and instruments are widely recognized as successful tools for building the resilience of the poor and most vulnerable. Specifically, the World Bank Social Protection and Labor Strategy (2012b) emphasizes that social protection builds the resilience "of the vulnerable through insuring against the impact of drops in well-being from a range of shocks." Safety nets can provide cash, food, insurance, and other means to smooth income and consumption when shocks occur, increasing the resilience of households. When combined with complementary interventions, safety nets can enhance household resilience in the long term by promoting human capital development and income-generating activities (World Bank 2012b).

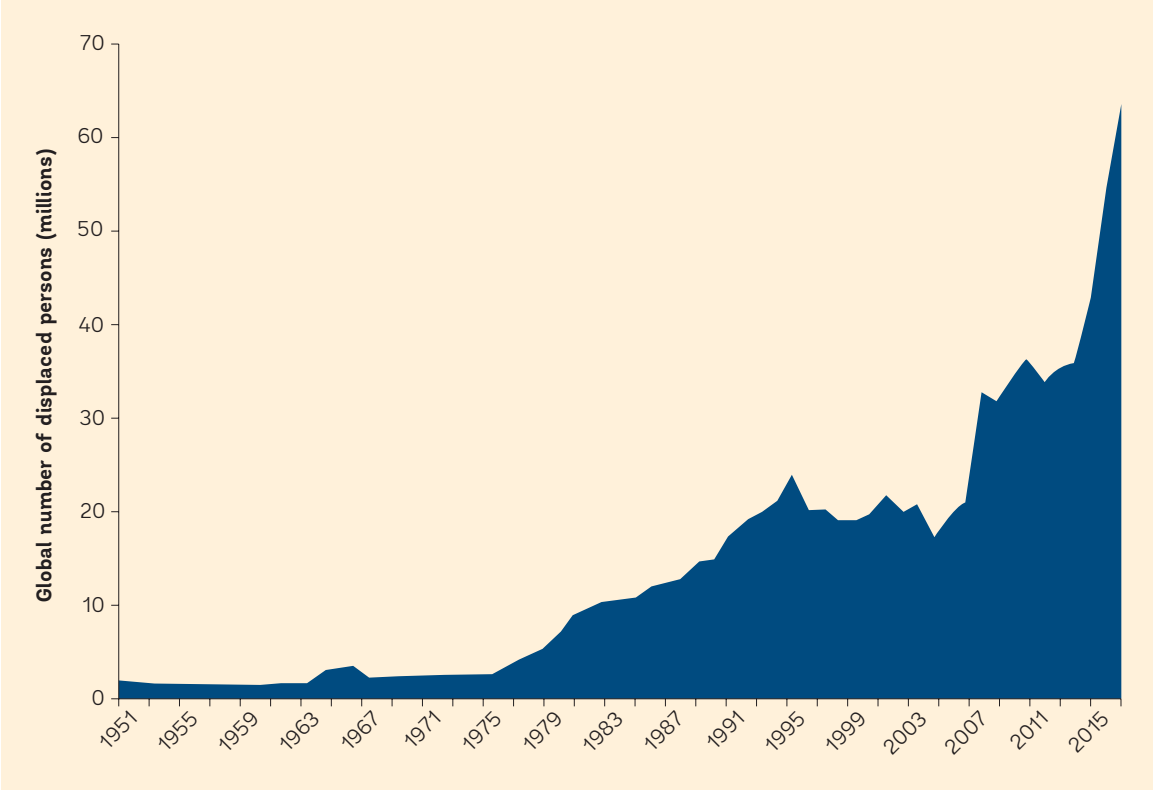
However, limitations in SSN coverage and design restrict the ability for safety nets to protect households that are vulnerable to shocks. Generally, the poor are particularly vulnerable to shocks for multiple reasons, which include a lack of savings and limited access to finance and formal insurance (see, for example, World Bank 2016a). To protect their short-term well-being and consumption after a shock, poorer households may instead turn to such "negative coping" strategies as removing children from school to work for extra household

FIGURE 5.1 Total Number of Disasters and Affected People, 1980–2012



Source: EM-DAT database.

FIGURE 5.2 Total Number of Displaced People, 1951–2015



Source: United Nations High Commission on Refugees Population Statistics Database.

income, availing high-interest loans, and selling productive assets. However, such short-term coping strategies can work to the household's longer term detriment. Receiving assistance from safety nets can lessen the need for such negative coping strategies after shocks occur. But the persistent undercoverage of the poorest and most vulnerable to shocks means that those most in need of such support may have no access to SSNs. Furthermore, rigid program design can hamper attempts to adjust parameters to meet changed needs on the ground, reaching beyond a core SSN caseload after a shock has occurred.

For example, empirical evidence suggests that countries at high risk of natural disasters often have lower safety net coverage. Figure 5.3, panel a, measures the coverage of all SSN programs within a country (based on the latest-year data in the Atlas of Social Protection: Indicators of Resilience and Equity [ASPIRE] database) against a country's risk from natural disasters (as ranked by the 2016 *World Risk Report*). While there is a significant degree of variance, most disaster-prone countries have large coverage gaps, leaving those most at risk, in many cases, unreachable by safety net programming. Furthermore, the lack of coverage is even more evident among the poorest quintile (figure 5.3, panel b). In both cases, the South Asia and Africa regions, home to the world's largest share of poor, have safety net coverage well below levels commensurate with their disaster risk.

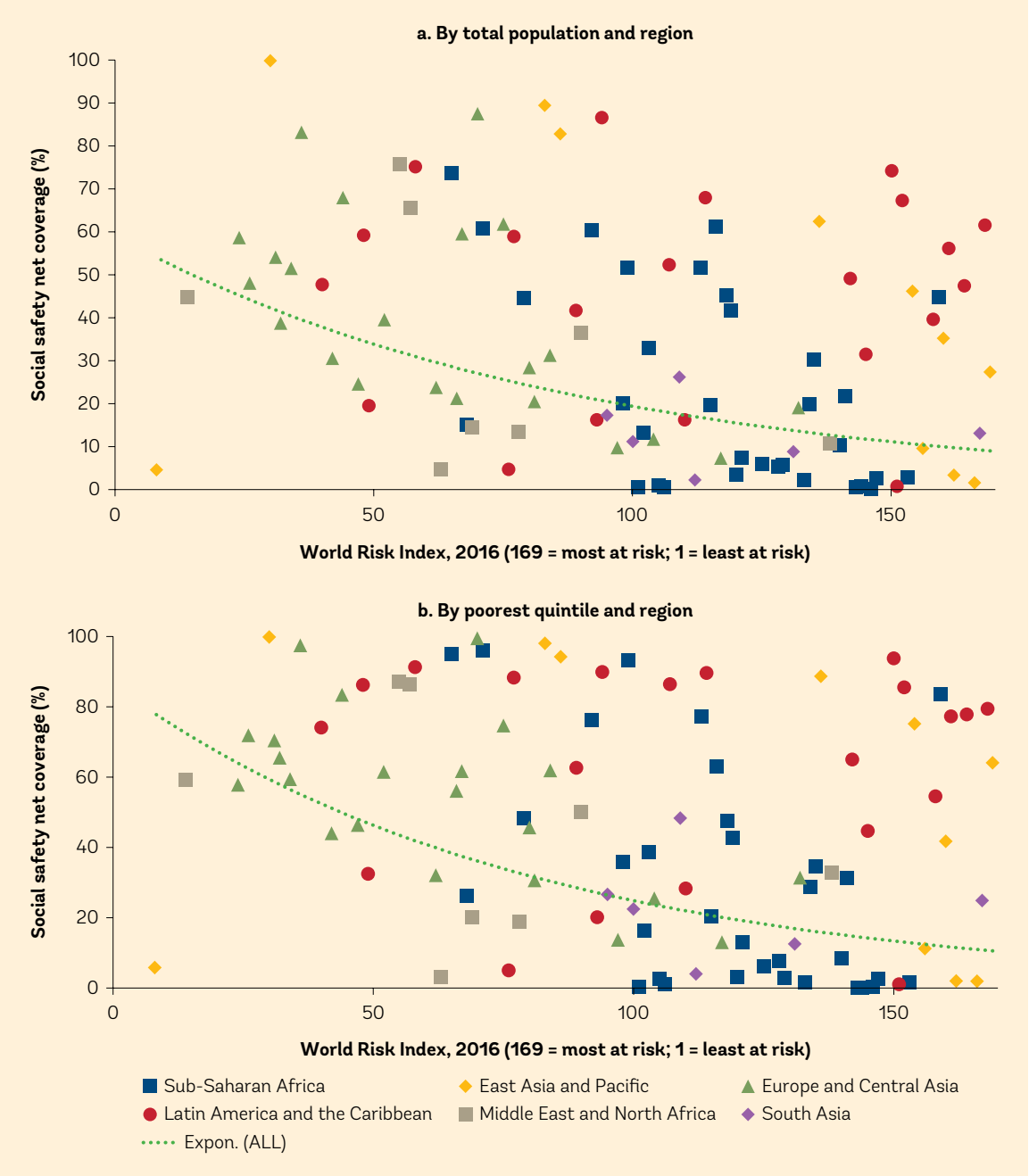
There is a large degree of heterogeneity in terms of the readiness and suitability of national safety net programs to play more prominent roles where shocks are concerned. Figure 5.4 again looks at SSN coverage, this time alongside a measurement of humanitarian aid received, per capita (from Gentilini 2016). Safety nets do not exist in a vacuum, and national systems and humanitarian programming coexist to varying degrees, depending on the context. The data are somewhat porous, but three broad country groupings can be drawn. Countries in Group A have higher safety net coverage and lower humanitarian spending, indicating greater readiness and suitability for their safety nets to address the risk of shocks; examples include the Philippines' Pantawid Conditional Cash Transfer Program and Kenya's rapidly growing Hunger Safety Nets Program. Countries in Group C have lower safety net coverage and higher humanitarian spending—including countries mired in crises and fragility such as Afghanistan, Democratic Republic of Congo and Haiti—and may be less well prepared to institute government-led safety nets and more reliant on humanitarian funding and related programming. Countries in Group B have both low safety net coverage and low humanitarian spending, indicating they may be less beset by persistent crises than those countries in Group C. For such countries, it may be particularly beneficial to further invest in safety nets and their use for building household resilience to shocks.

In this context, Adaptive Social Protection (ASP) has emerged in recent years. At the outset, ASP was conceptualized as "a series of measures which aim to build resilience of the poorest and most vulnerable people to climate change by combining elements of social protection, disaster risk reduction and climate change" (Arnall et al. 2010; see also IDS 2012). Since then, the term "adaptive" has come to be understood by social protection policy makers and practitioners as entailing the need to better adapt social protection to all types of shocks. This recognition has resulted in many complex questions, including precisely how best can SSNs and social protection be equipped to help households manage diverse types of shocks across myriad country contexts (Groups A, B, and C)? Because is a nascent area, this question is not fully answered; but it has begun to crystalize around two interrelated approaches focused on building household resilience and increasing the responsiveness of programming.

FOCUS AREA 1: BUILDING HOUSEHOLD RESILIENCE BEFORE SHOCKS OCCUR

The first of these interrelated approaches centers on boosting the role of social protection and safety nets in building the resilience of the most vulnerable households before shocks occur. By doing so, this resilience-building approach seeks to break the deleterious cycle of poverty and vulnerability that may otherwise occur. In short, a more resilient household will be better able to withstand shocks if household

FIGURE 5.3 Ranking of Natural Disasters and Safety Net Coverage

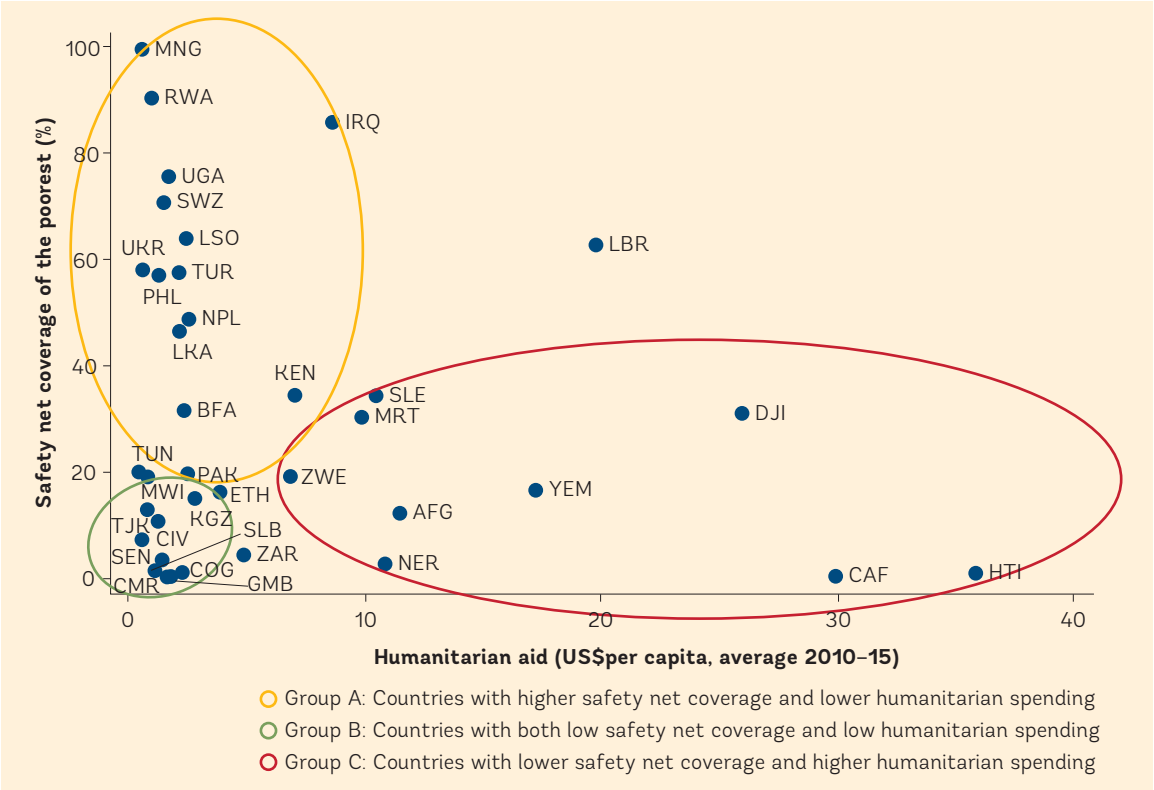


Sources: Garschagen et al. 2016; and ASPIRE database.
Note: Social safety net coverage is based on the latest year for the ASPIRE database (all programs). ASPIRE = Atlas of Social Protection: Indicators of Resilience and Equity.

members have more human capital and are able to access job opportunities, accumulate physical capital, and diversify their livelihoods.

Significant evidence confirms that SSNs, adaptive or otherwise, help improve resilience at the household level. Impact evaluations indicate that beneficiaries of cash transfer programs are more likely to save, as seen in Ghana's Livelihood Empowerment Against Poverty (LEAP), Kenya's Hunger Safety Net Program, and Zambia's Child Grant Program (World Bank 2016c). For example, Hoddinott et al. (2015) examined distress sales of livestock between 2010 and 2014 among beneficiaries of Ethiopia's Productive Safety Net Program (PSNP), compared with a control group.

FIGURE 5.4 Social Safety Net Coverage of the Poor and Humanitarian Spending, 2010–15



Source: Gentilini 2016.

In 2010, 54 percent of public works households reported making a distress sale of assets to meet food needs, and 26 percent did so to obtain cash for nonfood emergency cash needs. By 2014, these proportions had fallen to 25 and 13 percent, respectively. Brazil's Bolsa Família delayed the entry of children into the labor market. Children in beneficiary families of the Programa de Asignacion Familiar in Honduras are less likely to work. Children in the Philippines' Pantawid conditional cash transfer program work six fewer days per month than a control group (World Bank 2016c). These are selected examples from a proliferating body of evidence reporting similar findings.

The evidence base for the impact of productive inclusion interventions ("graduation models") that support sustainable exits from poverty—and by extension, resilience-building—is also growing. A primary example of this comes from a randomized control trial for a similar "integrated approach" in six countries (Ethiopia, Ghana, Honduras, India, Pakistan, and Peru). It combined the transfer of a productive asset with consumption support, training, and coaching, as well as efforts to encourage savings and access to health and education services. The trial found statistically significant, cost-effective impacts on consumption (fueled mostly by increases in self-employment income) and the psychosocial status of the targeted households, with impacts on the poor households lasting at least a year after all implementation had ended (Banerjee et al. 2015).

This productive, inclusive approach is being implemented in many countries across West and East Africa, where similar ASP-focused initiatives look to boost household resilience in the face of repeated and chronic drought, along with other shocks. A recent World Bank publication, *Social Protection Programs for Africa's Drylands* (Del Ninno and Coll-Black 2016), describes resilience building as a process of "improving households' or communities' economic and social stability by addressing their structural

vulnerabilities and increasing their access to services while helping them prepare against future crises. . . . This is achieved at the household level, for instance, through the regular distribution of cash transfers accompanied by training activities to help diversify livelihoods away from climate-dependent activities." In this context, resilience may be the product of (i) diversified livelihood strategies and access to markets; (ii) access to financial, social, human, physical, and natural capital; (iii) access to quality basic social services; (iv) access to social protection programs, including safety nets, particularly in difficult periods; (v) access to the information and skills needed to adapt to shocks; and (vi) local and national institutions able to adapt to changing realities.

In the form of public works, ASP programs can reduce the sources of risk from a shock in rural areas, as has been done in Ethiopia, Rwanda, and across the Sahel. A well-known example is the public works component of Ethiopia's PSNP. It helps increase household and community resilience to droughts by creating community assets that reverse the severe degradation of watersheds and provide a more reliable water supply under different climatic conditions. Similarly, the Rwanda Vision 2020 Umurenge Program targets public works for creating anti-erosive ditches and terracing hillsides, improving soil productivity, and expanding the area of cultivable land (IDS 2012).

FOCUS AREA 2: INCREASING THE CAPABILITY OF SAFETY NETS TO RESPOND TO SHOCKS AFTER THEY OCCUR

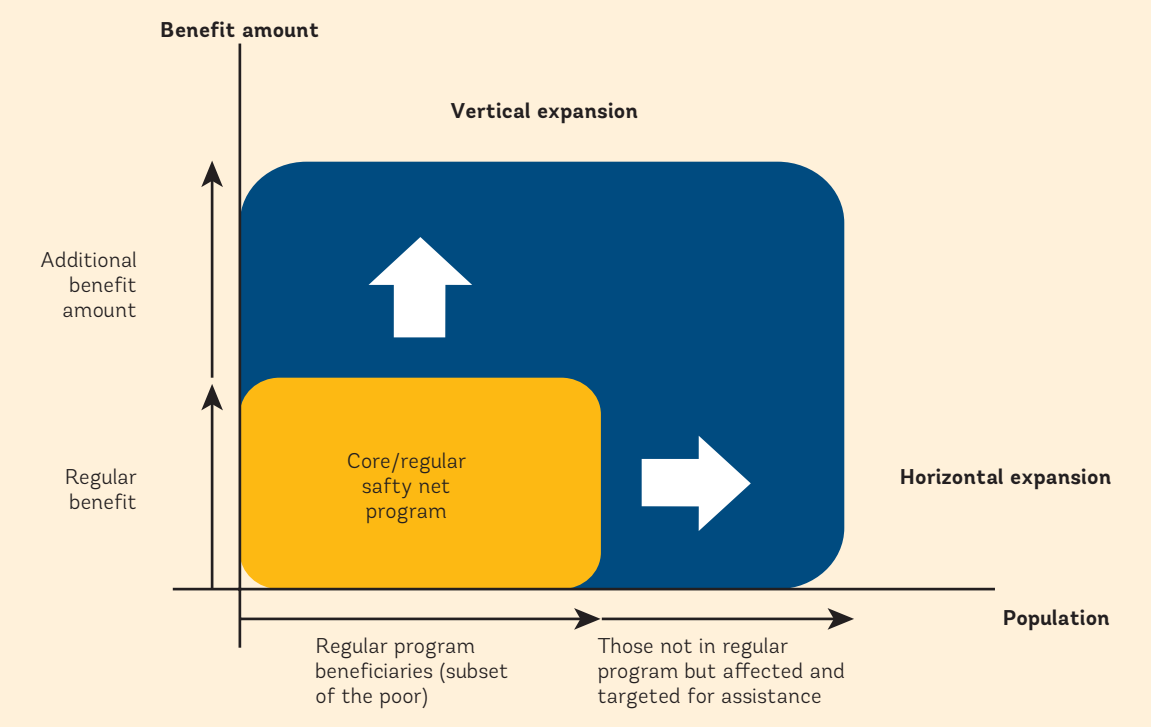
The second interrelated approach to ASP focuses on increasing the capability of safety nets to respond to shocks after they occur by introducing greater flexibility and scalability in program design. Such design features enable faster adjustment to postshock needs. Conceptually, a program becomes capable of "scaling out" to nonregular social protection beneficiaries that have been affected by a shock and/or "scaling up" to increase benefit amounts at an acute time of need to existing social protection beneficiaries (see figure 5.5). This process is also referred to as "horizontal" and "vertical" expansion (Oxford Policy Management 2015). A commonly cited example of an SSN with these capabilities is Ethiopia's PSNP, as witnessed by its response to the 2011 drought (see box 5.1).

Increasing grant amounts to existing SSN beneficiaries following shocks (vertical expansion) is a pragmatic and increasingly common safety net response. Leveraged in this way, existing programs such as cash transfers and public works can can be used as conduits to rapidly inject assistance to pretargeted and enrolled poor households in affected areas. Recently, this approach reached existing beneficiaries that were affected by disasters in Fiji and the Philippines (see box 5.2). Preparedness measures for SSNs can be advanced even further through additional investments to make programs more flexible and capable of expanding horizontally to reach additional households, as in the case of the PSNP.

Specifially, horizontal expansion can be achieved by investing in more dynamic delivery systems. Safety nets designed to address chronic poverty in times of relative calm and stability adopt methodologies and supply-driven approaches to delivery for a fixed period. These may include time-bound approaches to targeting (that is, a "census sweep" approach, repeated again only after several years have passed) and fixed, centralized lists of beneficiaries. This approach is typically easier to administer, but its rigidity often produces unintended effects (for example, household exclusion errors), which are magnified under the influence of shocks when needs, poverty status, well-being, and vulnerability can change rapidly. In this sense, these delivery systems are static; they are unable to administratively respond to changes in household needs. The hallmark of an adaptive safety net is dynamic delivery systems that enable the required flexibility and scalability to achieve horizontal and/or vertical expansion, depending on postshock needs.

In addition, information systems tied to understanding risks and vulnerabilities, along with pre-positioned risk financing, can imbue safety net programs with the capability to horizontally expand and to reach more affected households. Early warning and related risk

FIGURE 5.5 Program Scalability to Enable Responsiveness to Shocks



Source: World Bank 2017.

BOX 5.1 Horizontal and Vertical Expansions through Ethiopia's Productive Safety Net Program

Ethiopia's Productive Safety Net Program (PSNP) is a large, national SSN program. It is designed to respond to the impacts of chronic drought, food insecurity, and climate change on Ethiopia's poorest households. To do so, the PSNP incorporates public works activities that improve climate resilience and promote community-level adaptation; provide a federal contingency budget to help poor households and communities better cope with transitory shocks when they occur; and target methods to identify those communities most vulnerable to shocks and climate change. These investments in more dynamic targeting for the PSNP and other preparedness measures enabled the program to extend the duration of its regular support for 6.5 million existing beneficiaries, providing an extra three months of assistance (vertical expansion), while also extending programming to an additional 3.1 million people who were not in the core PSNP caseload (horizontal expansion) in response to the droughts of 2011 (White and Ellis 2012).

information (e.g., hazard mapping, market monitoring, meteorological monitoring, conflict mapping, climate variance mapping, and geospatial data), along with information on household composition and characteristics, can provide vital information about the nature, location, and depth of a shock as well as the appropriateness and type of responses. However, where they exist, these information systems often work in silos without coordination, integration, and direct linkages to social safety net programming. The Dominican Republic, Kenya, and the Republic of Yemen have all developed innovative and integrated information systems, looking to overcome these limitations (see box 5.3). Alongside these information systems, pre-positioned financing is of critical importance for more

BOX 5.2 Responding Rapidly to Disasters through Vertical Expansions in Fiji and the Philippines

In response to Typhoon Yolanda in 2013, the government of the Philippines released the equivalent of US$12.5 million between November 2013 and February 2014—three months after the disaster struck—in unconditional cash transfers to existing beneficiaries of the national conditional cash transfer program, Pantawid. In addition, the existing Pantawid cash delivery platform and national targeting systems helped the World Food Programme and the United Nations Children's Fund (UNICEF) provide top-up benefit amounts to Pantawid households in affected areas. Emergency support was provided for two months and included the activation of previously agreed-on legislation to remove the conditionalities of the regular program during states of emergency (Bowen 2015).

In Fiji, following Tropical Cyclone Winston in 2016, the government disbursed F$19.9 million (US$39.6 million) in the form of top-up grants to beneficiaries of existing safety net programs, in order to reach vulnerable groups and inject much-needed liquidity into the economy. A recent impact evaluation found that the transfers were received in a timely fashion and that those receiving the transfers recovered faster than those who did not (Mansur, Doyle, and Ivaschenko 2017).

BOX 5.3 Investing in Risk and Vulnerability Information and Tying It to Safety Net Programming in the Dominican Republic, Kenya, and the Republic of Yemen

Kenya's Hunger Safety Nets Program is an unconditional, poverty-targeted cash transfer program that can expand horizontally and vertically, acting as an emergency cash transfer in times of drought. In response to drought events specifically, the scaling up is determined by objective triggers and thresholds in terms of environmental deterioration, measured by a Vegetation Condition Index. The predetermined triggers are used to set the benefit level and the eligibility of households (NDMA 2016).

The Dominican Republic's safety net systems use a single beneficiary system called SIUBEN, which contains socioeconomic and demographic information on poor populations. The information corresponds to a quality-of-life index that determines beneficiary eligibility for safety net programming. Recently, innovative steps have integrated vulnerability with climate change into SIUBEN. The integrated approach estimates the probability of a household being vulnerable to hurricanes, storms, and flooding, given its socioeconomic characteristics; this helps predict and map potential vulnerable areas and coordinate disaster responses.

The Republic of Yemen used an adaptive approach to respond to a humanitarian crisis due to armed conflict. There, existing SSN and social protection programs were reoriented to help manage food insecurity, address the lack of critical basic services, and deal with losses of employment and livelihoods. The approach introduced a conflict-sensitive monitoring arrangement that uses GPS technology, real-time data flows, and third-party monitoring. Targeting also complemented a poverty approach with measures to identify conflict-related vulnerabilities, such as internally displaced people and their host communities, female-headed households, and youth. In addition, the allocation of assistance adopted a conflict-sensitive approach, ensuring predefined objectives as well as transparent and data-based criteria that could translate into a "distress index" and be used in a fund-allocation formula.

predictable and timely responses (see, for example, Decron and Clarke 2016). With direct linkages to safety nets, risk financing can mobilize funds quickly in support of the rapid scaling up of social protection programs in response to shocks, based on predefined triggers for dispersal.

In summary, ASP is an emerging agenda in the field of social protection. Given the sheer degree of complexity associated with the issues

that ASP seeks to address—multiple risks and shocks, vulnerability, uncertainty, and their interconnectedness—a neat and comprehensive framing of all elements of the growing ASP agenda is somewhat elusive. However, it is clear in the current global context that social protection and SSN practitioners and policy makers must begin to factor such issues into their thinking more fully and undertake greater preparedness for shocks. ASP is a recognition of this necessity. The approach outlined in this chapter—building the resilience of the most vulnerable before shocks occur, and increasing the preparedness of SSNs to respond to the shocks of the future—will likely serve to make social protection more adaptive in the long run, and enable it to more effectively protect the well-being of the most vulnerable against the impacts of all manner of shocks.

REFERENCES

Arnall, A., K. Oswald, M. Davies, T. Mitchell, and C. Coirolo. 2010. "Adaptive Social Protection: Mapping the Evidence and Policy Context in the Agriculture Sector in South Asia." Working Paper No. 345, Institute of Development Studies, Brighton, UK. http://www.ids.ac.uk/files/dmfile/Wp345.pdf.

ASPIRE (Atlas of Social Protection: Indicators of Resilience and Equity). 2017. Database, Washington, DC: World Bank. http://datatopics.worldbank.org/aspire/.

Banerjee, A., E. Duflo, N. Goldberg, D. Karlan, R. Osei, W. Pariente, J. Shapiro, B. Thuysbaert, and C. Udry. 2015. "A Multifaceted Program Uses Lasting Progress for the Very Poor: Evidence from Six Countries." *Science* 348 (6236): 1260799. http://www.econ.yale.edu/~cru2/pdf/Science-2015-TUP.pdf.

Bowen, T. 2015. "Social Protection and Disaster Risk Management in the Philippines: The Case of Typhoon Yolanda (Haiyan)." Policy Research Working Paper 7482, World Bank, Washington, DC.

Del Ninno, C., and S. Coll-Black. 2016. *Social Protection Programs for Africa's Drylands*. Washington, DC: World Bank.

Dercon, S., and D. Clarke. 2016. *Dull Disasters? How Planning Ahead Will Make a Difference*. Oxford, UK: Oxford University Press.

EM-DAT (Emergency Events Database). Database, Centre for Research on the Epidemiology of Disasters, School of Public Health, Universite Catholique de Louvain, Brussels, Belgium. http://www.emdat.be/database/.

Garschagen, M., M. Hagenlocher, M. Comes, R. Sabelfeld, Y. J. Lee, L. Grunewald, M. Lanzendörfer, P. Mucke, O. Neuschäfer, S. Pott, J. Post, S. Schramm, D. Schumann-Bölsche, B. Vandemeulebroecke, T. Welle, and J. Birkmann. 2016. *World Risk Report 2016: The Importance of Infrastructure*. Bonn: Bündnis Entwicklung Hilft and UNU-EHS. http://collections.unu.edu/eserv/UNU:5763/WorldRiskReport2016_small.pdf.

Gentilini, U. 2016. "Sorting through the Hype: Exploring the Interface between Humanitarian Assistance and Safety Nets." Social Protection and Labor Policy Note 19, World Bank, Washington, DC.

Hoddinott, J., J. Lind, G. Berhne, K. Hirvonen, N. Kumar, B. Biniyam, R. Sabates-Wheler, A. Strickland, A. Taffesse, M. Tefera, and Y. Yahanns. 2015. "PSNP-HABP Final Report, 2014". http://essp.ifpri.info/files/2017/07/PSNP-HABP_Final_Report_2014.pdf.

IDS (Institute for Development Studies). 2012. "Realising the Potential of Adaptive Social Protection." IDS in Focus Policy Briefing Note 28. http://www.ids.ac.uk/files/dmfile/IF28.pdf.

Mansur, A., J. Doyle, and O. Ivaschenko. 2017. "Social Protection and Humanitarian Assistance Nexus for Disaster Response: Lessons Learnt from Fiji's Tropical Cyclone Winston." Social Protection and Labor Discussion Paper 1701, World Bank, Washington, DC.

NDMA (National Disaster Management Authority of Kenya). 2016. "Hunger Safety Net Program Scalability Guidelines: Standard Operating Procedures for Scaling-Up HSNP Payments." http://www.hsnp.or.ke/index.php/news/current-news/12-current-news/112-new-hsnp-scalability-guidelines.

Oxford Policy Management. 2015. "Conceptualizing Shock-Responsive Social Protection." https://www.irishaid.ie/media/irishaid/allwebsitemedia/20newsandpublications/publicationpdfsenglish/s-2947/IA-Social-Protection-Strategy-2017.pdf.

UNHCR (United Nations High Commission on Refugees). 2016. *Global Trends: Forced Displacement in 2016*. http://www.unhcr.org/globaltrends2016/.

WEF (World Economic Forum). 2017. *The Global Risks Report, 2017*. Geneva: WEF. http://www3.weforum.org/docs/GRR17_Report_web.pdf.

White, P., and F. Ellis. 2012. "Ethiopia's Productive Safety Net Program, 2010–2014: A Value for Money Assessment." DFID/International Development UEA.

World Bank. 2012a. "An Evaluation of World Bank Support, 2000–2010." Independent Evaluation Group, World Bank, Washington, DC.

———. 2012b. "World Bank 2012–2022 Social Protection and Labor Strategy: Resilience, Equity, and Opportunity." World Bank, Washington, DC.

———. 2016a. "Closing the Gap: Building Resilience to Natural Disasters and Man-Made Shocks through Social Safety Nets." Brief, World Bank, Washington, DC.

———. 2016b. *Shock Waves: Managing the Impacts of Climate Change on Poverty*. Washington, DC: World Bank.

———. 2016c. *Unbreakable: Building the Resilience of the Poor in the Face of Natural Disasters*. Washington, DC: World Bank.