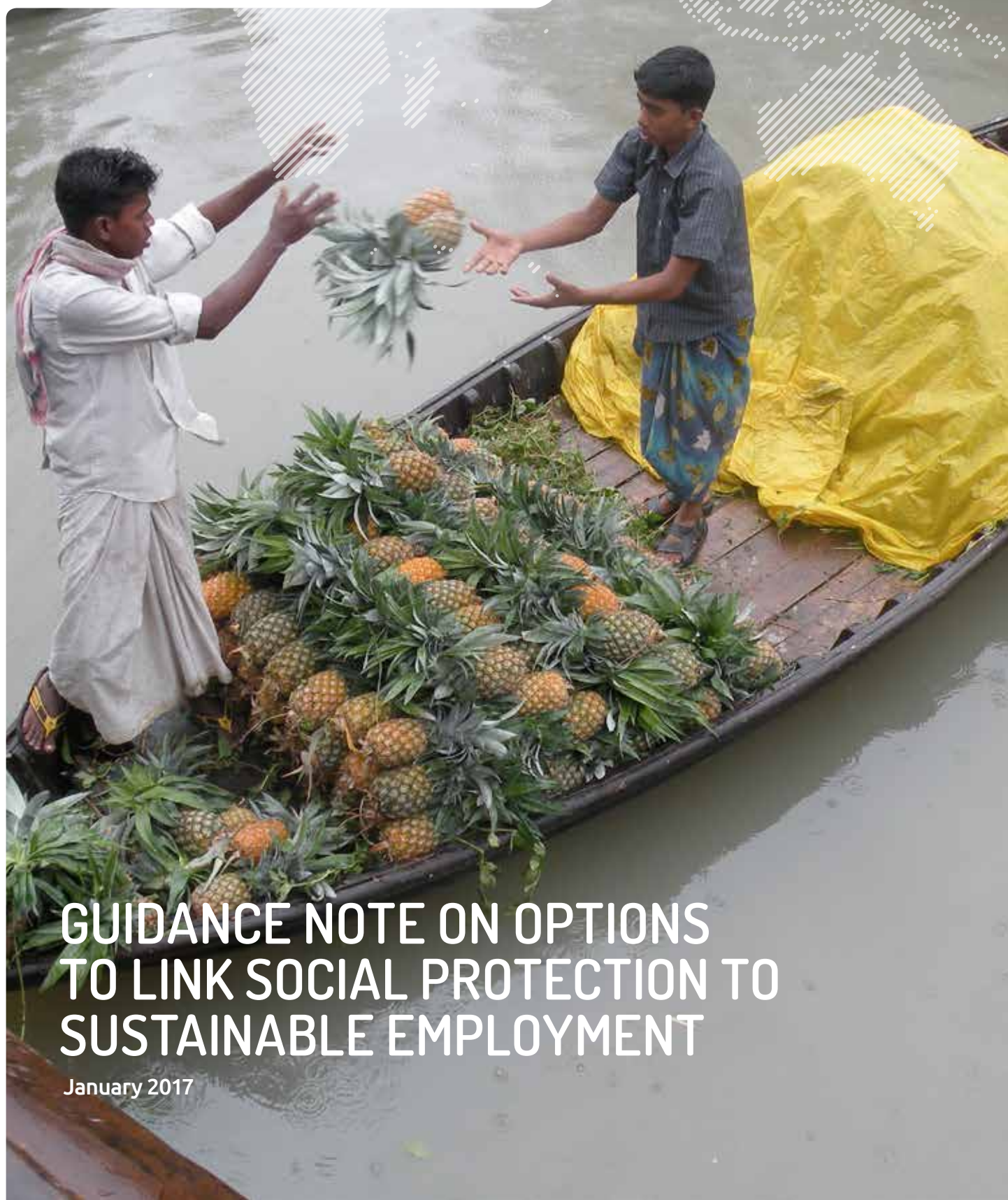




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GUIDANCE NOTE ON OPTIONS TO LINK SOCIAL PROTECTION TO SUSTAINABLE EMPLOYMENT

January 2017



Australian Government

Department of Foreign Affairs and Trade



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January 2017

The principal author of this report is Nicholas Freeland.

Disclaimer: The views expressed in this publication are those of the authors and not necessarily those of DFAT.

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The report should be attributed as DFAT (2017). Guidance note on options to link social protection to sustainable employment. Canberra: Commonwealth of Australia, Department of Foreign Affairs and Trade.

ISBN: 978-1-74322-376-5 (PDF document)
ISBN: 978-1-74322-377-2 (Book, softcover):
ISBN: 978-1-74322-378-9 (Word document)

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ABBREVIATIONS

BRAC	Bangladesh Rural Advancement Committee
CCT	conditional cash transfer
CLP	Chars Livelihoods Programme, Bangladesh
DFAT	Department of Foreign Affairs and Trade
FAO	Food and Agriculture Organization of the United Nations
ILO	International Labour Organization
MGNREGA	Mahatma Gandhi National Rural Employment Guarantee Act, India
NGO	non-government organisation
ODI	Overseas Development Institute, United Kingdom
OECD	Organisation for Economic Co-operation and Development
PWD	person with disability
RSH	Registro Social de Hogares, Chile
SLP	Sustainable Livelihoods Program, Kenya
USD	United States dollar

1. INTRODUCTION

The best way for households to extricate themselves from poverty is through decent work. Maximising the opportunities for sustainable employment and ensuring its quality are primary objectives of most governments. The more that households are able to engage productively with the labour market, the less will be their requirement for social protection.

But social protection has an essential role to play in supporting sustainable employment. There are some stages of the life-course when full employment is inappropriate or becomes more difficult: infancy, childhood, old age and maternity. There may be periodic, cyclical or seasonal downturns when employment opportunities diminish. And there are also times when specific shocks make it impossible for an individual to work: injury, chronic illness or disability, or care responsibilities. In all such cases there will be a need for effective social protection.

Understanding the linkages between social protection and sustainable employment is important. Governments are increasingly designing social protection programs with an objective of encouraging and supporting full employment, and of avoiding the introduction of disincentives to work.

This Guidance Note studies the interactions between social protection and sustainable employment, and draws out lessons to help with the design and implementation of effective social protection interventions that improve employment. It discusses two main channels through which such linkages operate.

1. Indirect: most conventional life-course social protection has significant (and almost exclusively positive) impacts on employment. Such impacts are extremely important and need to be stressed to policymakers, but they are for the most part indirect and long term.

2. Direct: there is growing recognition, therefore, of the need to link social protection more proactively with other interventions (as is beginning to happen in Latin America and to a lesser extent elsewhere) to ensure that beneficiaries of life-course social protection programs (of whatever kind) are better able to access sustainable employment in the short term.

The Guidance Note first considers 'conventional' life-course social protection, and the principal ways in which it interfaces with sustainable employment. It underlines the need to be clear about the potential benefits of such social protection on employment, to monitor the impacts, and to strongly present the contribution of social protection to underpinning sustainable employment. But it is not the objective of social protection programs to directly generate sustainable employment – even in the case of interventions aimed at the working-age poor that require a labour contribution. So the Guidance Note also recognises the limitations – in terms of generating decent work in the short term – of conventional life-course social protection. It suggests that there is a more fundamental immediate question that is of primary concern to today's policymakers: how is it possible to get the current recipients of social protection benefits into decent employment? It further recognises that this is not something that can realistically be achieved by social protection programs on their own; so it provides guidance on what additional interventions are needed to achieve it.

It is hoped that this focus will be of greater help to practitioners than a continuing focus on the more theoretical linkages. There is already a body of literature on the conceptual links between life-course social protection and employment. This includes the 2014 paper commissioned by the Department of Foreign Affairs and Trade (DFAT) from the UK Overseas Development Institute (ODI) (McCord and Slater, 2014) – which informs much of the 'Background' discussion in Section 2 – and a 2016 review of the evidence by ODI (Bastagli *et al.*, 2016). Other useful links are listed in Section 5.

Box 1 Definitions

Social protection – DFAT defines social protection as ‘publicly funded initiatives that provide regular and predictable cash or in-kind transfers to individuals, families and households to reduce poverty and vulnerability and foster resilience and empowerment’. This represents a focus on non-contributory forms of social assistance, as opposed to social insurance or labour market regulation, which is reflected in this Guidance Note.

Life-course – Life-course social protection represents an approach to social protection that recognises and tackles the different vulnerabilities that manifest themselves at different stages of life. These are usually categorised along the lines of pregnancy/infancy, childhood, youth, working age, elderly and disability.

Employment – Employment comprises both formal (wage) employment and informal self-employment (with the latter also sometimes referred to as own-account, entrepreneurship or enterprise).

Sustainable employment – This Guidance Note adopts the definition of DFAT’s 2014 paper commissioned from ODI that sustainable employment is ‘employment that:

- » is ongoing and secure,
- » offers adequate conditions and remuneration to enable basic needs to be met, and
- » is provided by the economy without external intervention (such as aid).’

Sustainable employment should be sustained through market processes, and therefore excludes employment provided by public works programs.

Jobs – As with employment, the concept of a job covers all ‘activities that generate actual or imputed income, monetary or in kind, formal or informal’ (World Development Report, 2013).

Decent work – The concept of decent work was first set out in 1999 by the International Labour Organization (ILO) as a comprehensive concept of work and the workplace. It is defined as ‘opportunities for women and men to obtain decent and productive work in conditions of freedom, equity, security and human dignity’. It comprises employment that:

- » is productive
- » delivers a fair income
- » offers security in the workplace
- » provides social protection for families
- » opens up prospects for personal development and social integration
- » allows freedom for workers to express concerns, organise and participate in the decisions affecting their lives
- » is based on equality of opportunity and treatment for all women and men.

2. INDIRECT LINKAGES BETWEEN LIFE-COURSE SOCIAL PROTECTION AND SUSTAINABLE EMPLOYMENT

2.1 Background

All life-course social protection programs have impacts on employment and on the labour market. This is particularly true of programs which specifically target the working age poor and which entail a labour requirement, specifically public works and livelihoods programs. But it is also true of interventions targeting other stages of the life-course (such as child benefits, old age pensions and conditional cash transfers (CCTs)), because such programs benefit the whole household. Global evidence suggests that, even if the direct recipient is unlikely to enter the labour market, additional income in the household will encourage other members to seek employment.

For example, a social transfer may reduce barriers to the labour market to the extent that these are influenced by inadequate income. Receipt of a regular cash transfer may be used for travel and accommodation costs, as well as financing alternative care for children and allowing people to meet the requirements to apply for jobs (such as sending out applications, attending interviews and obtaining suitable clothes).

The guarantee of reliable support can also have a psychosocial impact, instilling confidence and promoting a beneficiary's ability to plan with a degree of certainty otherwise made impossible by the need to prioritise immediate consumption over longer term production strategies. This can compromise the ability to envisage and embark on more productive employment (for example, own-account over daily wage labour) if there is a lag between investment and returns – which is usually the case, particularly with agricultural or animal husbandry innovations.

In some cases, receipt of transfer income has resulted in recipient households themselves hiring additional labour, thereby increasing the productivity of land and assets previously underused due to limited labour availability. This simultaneously increases the demand and reduces the supply of labour, which in turn may contribute to an increase in wage rates for unskilled labour, to the benefit of the poor

in general. Similarly, and especially when combined with lump-sum or asset transfers, receipt of cash on a regular basis may enable capital accumulation and investment in skills, inputs, land or additional labour to enhance productivity and self-employment or provide support at times of stress to prevent recipients from selling assets.

There are also the expected long-term impacts from comprehensive social protection programs that result in a healthier, better nourished and more highly educated workforce, contributing in turn to better national prospects for decent and productive employment. However, while such impacts on the labour force are tremendously important, they operate for the most part over the long term, with benefits being manifested only after years, decades or even generations. So, while it is important to stress the potential of life-course social protection to improve employment, today's policymakers, especially ministries of finance, are also interested in the question of how to get social protection beneficiaries into decent employment.

Specific mention should also be made of two particular types of life-course social protection that target the working age and necessitate a degree of labour market engagement: public works and livelihoods programs.

» The traditional approach linking social protection to employment has been public works, where work is mandated as a condition of receiving a social transfer. It remains a valid option in certain situations, especially when faced with transient or cyclical crises. But there is a growing recognition that – for a range of reasons – conventional public works are a sub-optimal long-term social protection response to chronic poverty, and that such programs do not themselves deliver sustainable employment. As the World Bank has noted, 'public works are essentially a temporary safety net and should never be used as a permanent escape route from poverty' (Subbarao *et al.*, 1997). This Guidance Note treats public works programs as a distinctive form of life-course social protection, where work is a condition of receiving the cash transfer but where there remains exactly the same

objective of getting people off the program and into sustainable employment. Indeed, recent experiments have tried to adapt the basic public works approach to improve its effectiveness as a social protection instrument and to link it more directly to productive inclusion and decent work. These lessons are captured in Section 3.

- » The livelihoods approach (also sometimes referred to as the ‘graduation’ approach) is an interdisciplinary methodology that targets the extreme poor with the goal of moving them out of extreme poverty in a sustainable manner. The approach combines support for immediate needs with longer term human capital investments, thereby protecting participants in the short run while promoting sustainable livelihoods for the future. These programs are therefore already a hybrid, combining elements of social protection (cash and asset transfers) with elements of livelihood promotion (training, coaching, access to markets, links to services). As such they too provide valuable lessons in making the link between social protection and sustainable employment, usually (though not invariably) in the form of viable self-employment. But they are not a separate form of social protection *per se*.

There are thus valuable practical lessons to be learned from global experiences with public works and with the livelihoods approach – for example, the need to provide relevant training; the necessity of social empowerment alongside economic empowerment; the call for building soft skills, business literacy and marketing ability; and the importance of linking to markets and to other services. But experience from livelihoods programs and elsewhere has shown that governments – especially ministries of social welfare – cannot be expected to deliver all of these complementary interventions on their own. What this calls for, therefore, is better linkages with other stakeholders, as discussed in Section 3.

So, while it can be assumed that all forms of life-course social protection will have positive long-term indirect impacts on sustainable employment, it is nonetheless important for policymakers to focus on a number of specific aspects relating to such social protection, to leverage the maximum benefit possible. These are discussed in the remainder of this section under the following five headings: argue the case; measure the impacts, so that an expansion of life-course social protection is based on a common understanding of proven benefits; avoid creating disincentives to work, for example through transfers that exceed local wage rates or whose targeting introduces perverse incentives to remain poor or unemployed;

insure against unemployment, which can be achieved through social assistance as well as social insurance; and program for people with disability, considering special employment approaches.

2.2 Argue the case

It is essential to make a strong case for the positive impacts of life-course social protection on employment. There is a growing body of evidence for a range of beneficial impacts. These are summarised in Table 1, which considers the probable results of effective social protection at each stage of the life-course, and maps them to the expected impacts on the workforce.

Table 1 Impact of social protection at each life-course stage

Life-course stage	Results of social protection	Impact on the workforce
Pregnancy/infancy	Better nutrition	More intelligent
Childhood	Better education	More educated, more productive
Youth/adolescents	Better training	More effective
Working age	Better health Increased income Guaranteed income	Healthier, more productive More mobile, more enterprising Less risk averse
Old age	Availability for childcare Less pressure to work	Greater ability for women to return to work More employment, more demand – higher wages
Disability	Greater access	More inclusive and diverse

All of these pathways need to be argued forcefully when introducing or expanding standard social protection interventions. Policymakers (and international development partners) need to be convinced of the reality that social protection increases productivity through the channels set out in Table 1. In particular, the misconception that social protection perpetuates dependency needs to be contradicted. While this may indeed be a concern in developed countries, it is demonstrably not the case in developing countries, where benefit levels tend to be low. In fact, all the evidence points to the opposite conclusion: that

social transfers, by mitigating risk and allowing investment, actually reduce dependency and improve productivity. Recipients of social transfers in South Africa look for work more intensively and extensively, and find employment more successfully, than do workers in comparable households that do not receive social grants; and beneficiaries of the Mexican agricultural support program *Procampo* raised their income by 1.5 to 2.6 times the value of the actual transfer.

2.3 Measure the impacts

To substantiate such effects and thereby encourage further investment in social protection interventions, it is also essential to incorporate robust monitoring and evaluation systems to capture the impacts of social protection on employment. A recent multi-country impact evaluation of social cash transfers in sub-Saharan Africa by the FAO/UNICEF From Protection to Production Project (PtoP) has facilitated expansion of the standard approach to the evaluation of such programs to include productive and local economy impacts. Local economy-wide impact evaluation (LEWIE) (Taylor *et al.*, 2016) employs simulation methods to reveal the full impact of cash transfers on local economies, including the spill-overs they create to non-beneficiaries. It does this by linking agricultural household models together into a general-equilibrium model of the local economy, in most cases a treated village or village cluster. This approach has demonstrated a range of positive impacts. The seven

programs studied helped households overcome credit constraints and manage risk, increased investment and productive expenditure, and expanded local economies: evidence suggests that each unit of currency transferred through a social cash transfer generates a nominal income multiplier in the local economy of between 1.34 and 2.52.

2.4 Avoid creating disincentives

There is a danger that any requirement to work, for example on public works programs, will have negative impacts in terms of the opportunity cost it implies, by diverting labour from domestic production or other income-generating activities. In general, because poor people cannot afford to be idle, they necessarily have to give up some other form of income in order to join a public works program, which reduces the net value of the transfer. The recent World Bank study of the large Malawi Social Action Fund public works program, whose twin objectives were to improve short- and long-term food security, found ‘no indication that the program achieved either objective’; furthermore, ‘there is some evidence of negative indirect effects on untreated households in villages with the public works’. The study concludes that ‘at best, this extensive program has no impact on food security’ (Beegle *et al.*, 2015). And a 2012 systematic review of the impacts of cash transfers on child nutrition concluded ‘Other types of conditions, mostly related to working or saving, show strongly negative impacts on nutritional status’ (Manley *et al.*, 2012).

Box 2 Case studies: disincentives to formal employment in Argentina and Uruguay

One potential problem with integrating labour market considerations into social protection program design, is that – especially where programs are targeted on the basis of poverty or employment status – this may introduce perverse incentives. Such effects have recently been observed in two substantial Latin American programs.

In Argentina, the so-called Universal Child Allowance provides a monthly benefit to households whose members are not registered in the national social security system, meaning that they are either unemployed or working in the informal sector. While the program has had a very positive impact on poverty, a recent study (IPC-IG, 2015) found that it had a ‘relatively large formality disincentive effect, particularly for parents of younger children’ because beneficiaries decided – rationally – that they were better off remaining in the informal sector, or not working, than losing the substantial grant through entering the formal labour market.

Similarly, in Uruguay a study (IPC-IG, 2015) of the means-tested family allowance program *Asignaciones Familiares – Plan de Equidad* (AFAM-PE) found a strong formal employment discouragement effect for women. While eligibility for AFAM-PE is not related to employment status, disincentives to formalisation can be potentially explained by a fear of losing the monetary benefit if the total household income (based on registered sources of income) surpasses the income-testing threshold.

This argues the case for being careful in program design. The Productive Safety Net Programme (PSNP) in Ethiopia offers a number of lessons in this area. First, it operates only for part of the year, theoretically at least coinciding with the period when beneficiaries are not engaged in their own productive activities. Second, it exempts an increasing proportion of its beneficiaries (now 20 per cent) from undertaking the labour requirement; this safeguards

THE WORLD HEALTH ORGANIZATION AND THE WORLD BANK ESTIMATE THAT AT LEAST 15 PER CENT OF THE WORLD'S POPULATION HAVE A DISABILITY, AND THAT APPROXIMATELY 80 PER CENT OF PWDS LIVE IN DEVELOPING COUNTRIES.

pregnant and lactating women, for example, from having to partake in hard physical work or to leave their children during the critical first 1000 days. Third, it makes explicit efforts to introduce its beneficiaries to the supporting services that they are likely to require in pursuing their own enterprises. PSNP participants can increasingly access livelihoods support, in the form of knowledge transfer (e.g. demand-driven business plan preparation) through technical support, giving them access to credit to run income-generating activities (such as beekeeping for honey production, livestock fattening and off-farm activities) that should increase household incomes and diversify risk away from agriculture. This is an attempt to address the opportunity cost of public works, by substituting access to activities and services that could potentially increase income generation by participants.

Away from public works, there is a risk that targeting on the basis of employment status may generate perverse incentives – see Box 2 for examples of this from Argentina and Uruguay. The lesson here is that the more universal a program is, the less likely it is to introduce distortions. And, as with public works, there is a need to carefully set the value of the social transfer in the context of local wage rates, so as not to create perverse incentives.

2.5 Insure against unemployment

Insurance against unemployment is a recognised way to support those of working age who are without income from work. Conventionally, in OECD countries this is provided through contributory systems, where individuals and the organisations for which they work pay premiums into a fund which can then be used to provide an unemployment benefit if they lose their job. As social insurance rather than social assistance, such approaches are outside the scope of this Guidance Note. However, there is an interesting example, in India's substantial Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), of using public works as a *de facto* unemployment benefit.

MGNREGA is a labour law and social security measure that aims to guarantee the 'right to work'. Its objective is 'enhancing the livelihood security of people in rural areas by guaranteeing hundred days of wage-employment in a financial year to a rural household whose adult members volunteer to do unskilled manual work' (<http://www.nrega.nic.in/netnrega/home.aspx>). Suitable employment is to be provided within 5 km of an applicant's residence, and minimum wages are to be paid. Its singularity is that, if such work is not provided within 15 days of applying, applicants are nonetheless still entitled to an unemployment allowance. By making the program demand driven (i.e. by allowing the beneficiary, rather than the program, to decide when and for how long he or she will work), MGNREGA ceases to be a conventional public works program and becomes instead a kind of rights-based, non-contributory unemployment benefit.

This mechanism in turn has impacts on employment beyond participation in the public works program itself. In one dimension it helps labourers by providing a floor rural wage, which puts them in a potentially more powerful negotiating position *vis-à-vis* employers. As a result, studies have shown that MGNREGA has driven up rural wages in general (Berg *et al.*, 2012). And in another dimension employers may benefit, because workers will be encouraged to accept greater labour market flexibility in the knowledge that there is a guarantee of alternative income to fall back on if necessary.

Box 3 Case studies: employment opportunities for people with disability in Kenya and Bangladesh

There are a number of interesting examples of social protection programs which have tried to generate sustainable employment for PWDs, albeit on a relatively small scale. The Vocational Training for Youths with Disabilities in Western Area and Kono Districts project in Sierra Leone provides grants to encourage participants to save. The program matches any savings the participants accrue during their participation with a seed grant to start their business.

The Economic Empowerment of the Poorest (or *Shiree*) program in Bangladesh has supported a number of NGOs working with PWDs to enhance their access to the labour market. For example, Handicap International's Socio-Economic Empowerment of Extreme Poor People with Disabilities project worked on multiple fronts: (i) it provided income-related capacity-building support (e.g. providing income-generating assets and skills training) to either beneficiaries or their caregivers; (ii) it delivered skills training, particularly with regard to livestock management, linkages with local service providers and fund management; and (iii) it arranged rehabilitation support for functional autonomy (home-based rehabilitation, awareness events etc.) to overcome physical restrictions to mobility, social participation and economic activity of PWDs.

Similarly, Action on Disability and Development's project From Margin to Mainstream: A Drive of Challenged People for Economic Empowerment worked in an urban setting (the Dhaka slums) to address both the economic and social marginalisation of the extreme poor with disability through complementary interventions. The project sought to provide pathways out of extreme poverty for PWDs through social and behavioural skills training and asset transfers, by (i) selecting the beneficiaries and organising them into self-help groups; (ii) identifying interest and capacity gaps; (iii) linking to disabled people's organisations and awareness raising; (iv) providing relevant vocational skills through training; and (v) assisting with placement in garment factories as employees or transfer to another income-generating activity for small business.

2.6 Program for people with disability

One particular aspect of linking social protection to employment for specific groups is in the area of support to people with disability (PWDs). The World Health Organization and the World Bank estimate that at least 15 per cent of the world's population (or one billion people) have a disability, and that approximately 80 per cent of PWDs live in developing countries. These people are among the poorest, most vulnerable and marginalised members of any society. They do not have equal access to education and employment; they have large unmet health needs (often unrelated to their disability) compared to the general population; and they experience exclusion from everyday life activities.

Disability also increases the vulnerability of a household. Approximately 30 per cent of families in developing countries live with an immediate family member who has a disability. Disability can often increase household expenditure on disability-related expenses (such as health care) and income deprivation due to reduced earning capacity of both the person with disability and their primary caregiver. Households with a PWD are more likely to experience food insecurity, poor housing, and lack of access to safe water and sanitation. Caring responsibilities may reduce education and employment opportunities for other family members (in particular for women and girls). Improving access to employment for PWDs is therefore fundamental to creating social and economic opportunities and to decreasing poverty, and this may well require specifically tailored interventions (see Box 3).



GLOBAL EVIDENCE SUGGESTS THAT, EVEN IF THE DIRECT RECIPIENT IS UNLIKELY TO ENTER THE LABOUR MARKET, ADDITIONAL INCOME IN THE HOUSEHOLD WILL ENCOURAGE OTHER MEMBERS TO SEEK EMPLOYMENT.

3. DIRECT LINKAGES BETWEEN SOCIAL PROTECTION AND SUSTAINABLE EMPLOYMENT

3.1 Background

Since the impacts of life-course social protection interventions are generally long term and indirect, this section presents what can be done more immediately and more directly to link social protection beneficiaries to sustainable employment. There exists a convergence of interest in getting working-age members of social transfer beneficiary households into employment: the beneficiaries themselves would generally prefer to have decent work than to subsist on social assistance; ministries of social welfare would welcome a reduction in their caseload; and ministries of finance would prefer to see citizens as contributors to the national exchequer rather than as liabilities.

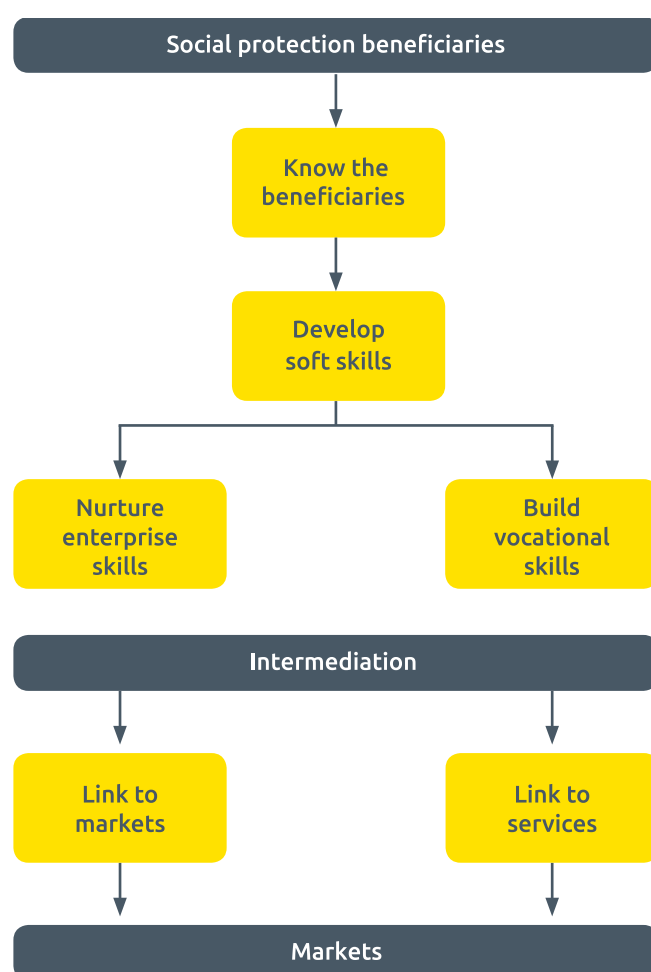
But, as the intensive livelihoods programs demonstrate, social protection programs cannot achieve this on their own. What is important, therefore, is to forge linkages with other programs, many of which exist already, and to ensure that those programs prioritise access to beneficiaries of social protection programs. This applies to all kinds of social assistance – whether universal or poverty targeted, whether conditional or unconditional, whether labour based or direct cash transfer. In all cases, the members of the beneficiary households of such programs who have the ability to work should be prioritised for proactive help to find and retain decent employment.

This section of the Guidance Note suggests a number of areas where efforts can be made to link social protection to sustainable employment. These are represented graphically in Figure 1.

In all cases, two important first steps are (i) to gain sufficient understanding of the beneficiaries' skills and capacities that it is possible to help them identify the best option open to them and (ii) to develop their soft skills so that they have the basic confidence and abilities to engage with markets. There are then essentially two alternative options, the choice between which will depend substantially on the specific household's capacity, aptitudes, learning potential, needs and aspirations. The first option is to help to nurture the skills they possess to establish their own viable enterprise;

the second is to build the vocational skills they may need to gain employment. Partly depending on which alternative is selected, there will then be a need to link them to markets and to other services. These activities are discussed separately in the sub-sections that follow, with boxes giving examples of successful global practice. A concluding sub-section considers how to bring it all together.

Figure 1 Areas linking social protection to sustainable employment



3.2 Know the beneficiaries

In order to link social protection beneficiaries to sustainable employment, it is important to know more about them. More information is required than just to know that they are poor and that they are receiving assistance, which is the minimum requirement for a basic social protection information system.

Expand the information base. Information on beneficiaries is needed at individual, household and community levels, with links between the three. And, for employment purposes, information is also needed on the skills, capacities, interests and motivations of all members of the beneficiary household, as well as on other aspects which may impact employment in particular areas or cultures, such as health, education or gender. Special approaches may be needed to collect such information on specific groups that do not have households: street children, the homeless, itinerants or remote tribal communities. In urban areas, NGOs, social workers or the police may be able to provide information on specific vulnerable groups with which they work; in rural areas, such information may come from community structures. In both cases, collecting information on such groups can be directly linked to remedial interventions to assist them.

Geo-reference the household information. It helps to have beneficiary information geo-referenced so that households can be mapped to local services and infrastructure.

Establish a social registry. There is a strong justification in this context to establish a central social registry, or to expand an existing one. A registry not only can be used for recording information on a broader range of aspects but also delivers specific information about beneficiaries and territories by linking to other databases. Registries should be as complete as possible, ideally with 100 per cent coverage of the population (which should be feasible in the case of links to the national identity system). At the very least the social registry should store information on all actual and potential social protection beneficiaries. Chile's *Registro Social de Hogares* provides a very comprehensive example (see Box 4).

Link to national identity systems. A social registry works particularly well when it can be linked using a unique identification number to the national identity system and to the civil registry. This can assure automatic updating of births, deaths and other changes in household composition.

IN ORDER TO LINK SOCIAL PROTECTION BENEFICIARIES TO SUSTAINABLE EMPLOYMENT, IT IS IMPORTANT TO KNOW MORE ABOUT THEM. MORE INFORMATION IS REQUIRED THAN JUST TO KNOW THAT THEY ARE POOR AND THAT THEY ARE RECEIVING ASSISTANCE, WHICH IS THE MINIMUM REQUIREMENT FOR A BASIC SOCIAL PROTECTION INFORMATION SYSTEM.

Profile individual households. This approach works best when it incorporates individual beneficiary profiling through household visits in order to ensure that appropriate life choices are adopted for each particular household. In Colombia, the Centres for Employment and Entrepreneurship (*Centros para el Empleo y el Emprendimiento*) prioritise their support to individuals participating in the counselling program for the extreme poor (*Red Unidos*). The centres then initiate productive inclusion interventions by characterising individuals' capacities, needs and preferences; and proposing a particular sequence of support based on these characteristics. Alternative routes include services to support an individual's insertion into formal employment, development of own entrepreneurship, and provision of complementary services including skills certification, literacy programs and other programs to build basic skills for the labour market.

Box 4 Case study: Chile's *Registro Social de Hogares*

The Chilean social protection system's pillar *Security and Opportunities* (formerly *Chile Solidario*) is implemented as a family accompaniment program with three main components. The first includes diagnosis, monitoring and evaluation of the family accompaniment; the second aims at providing basic psychosocial support in order to overcome emotional and social constraints on a family's progress; and the third is focused on the development and execution of a plan for engagement in the labour market of adult members of the household. The program is carried out over 24 months and accompanies families in extreme poverty in developing and implementing a plan adjusted to their own specific needs and capabilities. The program is essentially one of empowerment, strengthening the family's social capacities and linking them to existing social services. Additionally, it provides conditional and non-conditional cash transfers and preferential access to specific social protection programs. There is a non-conditional transfer (called 'protection benefit'), as well as several transfers that incorporate 'co-responsibilities' (in education and health), and two additional financial incentives for achievements in education (of members under 24 years of age finishing secondary school) and for engagement in the labour market of women in the family.

In order to prioritise beneficiaries for targeting, Chile's Family Program uses a very sophisticated and comprehensive social registry, the *Registro Social de Hogares (RSH)*, which is one of the most comprehensive social registries in Latin America due to its descriptive characterisation. RSH is implemented and managed by the Ministry of Social Development and can be accessed by all state agencies. It began in the pioneering days of the 1980s and now includes detailed information on more than three-quarters of the population and is used for the management of more than 80 different social protection programs. It is linked to the civil registry, the social insurance database and multiple databases of 43 state agencies, including ministries such as education, health, labour and social security, and housing and urban development, the tax authority and the land registration authority. It is also linked to, and can be accessed by, 345 municipalities.

It is updated regularly, both through links to administrative databases and on demand, through mobile device based surveys. It is also fully geo-referenced, so that analysis and reports can be linked to mapping.

Prioritise labour access based on need. Some countries choose to give specific groups preferential access to certain employment and entrepreneurship programs. In Chile, this is the case for beneficiary households of the Family Accompaniment Program; they are selected through another step called 'selección por postulación', which defines the technical requirements for their engagement with the labour market. While the full 40 per cent of Chilean households that the Registro Social de Hogares categorises as the most vulnerable can apply for employment and entrepreneurship programs, they are not competing with those who are given preferential access.

Make provision for regular updating. Such databases also require regular updating and periodic recertification for the data quality to be maintained. This is especially important where social registries are used for targeting, and where the skills profile of households needs to be dynamically updated as they acquire new skills. Budget provision must accordingly be made to ensure that the databases are kept up to date.

Have clear policy on ownership/confidentiality. Clear ownership is needed at different levels – from civil registry at national level, to ministries, to sub-national databases – with enabling legislation on data management, confidentiality and protection of information.

3.3 Develop soft skills

The possession of soft skills is as important as the possession of hard skills to access and maintain employment. It is possible to differentiate two broad types of necessary soft skills: internal and interactional. These are mutually reinforcing, and can also interact positively with hard skills.

Build self-confidence. Internal soft skills include self-awareness, self-control, self-esteem and, above all, self-confidence. It is essential that social protection interventions support rather than undermine these characteristics. Interventions that rely on stigma for self-selection, undermine dignity or require unacceptable conditions should therefore be avoided – which is one of the arguments against public works. In contrast, the building of self-confidence through successful ownership of a small asset may be one of the most positive impacts of livelihoods programs, of value psychologically even if it does not directly contribute to building an enterprise over the longer term.

Raise awareness. Interactional soft skills include an awareness of environment, an ability to communicate, and a knowledge of rights. These have to be learned through experience. Two ways in which social protection can help in this area are information and exposure. Information campaigns can be organised so that beneficiaries fully understand their rights and their entitlements and are aware of the channels through which they can access these, both in terms of social protection and in terms of livelihood and employment opportunities. Gaining exposure is more complicated, but can potentially be provided through mentoring and linking beneficiaries to peers who have succeeded in their ventures. Social protection programs could be more proactive in maintaining contact with past beneficiaries and organising for them to interact with current ones. Colombia presents a good example of successfully incorporating soft-skills training on a large scale (see Box 5).

Box 5 Case study: Colombia's soft-skills training

Colombia's *Jóvenes en Acción* (Youth in Action) program has been an interesting pioneer in the area of soft-skills training. The program aims to promote the development of human capital for over 100,000 youths in each of its two streams, through the National Training Service, SENA. The majority of its beneficiaries are drawn from households that are on the *Red Unidos* (formerly *Juntos*) CCT program, victims of forced displacement, young people in protection, members of indigenous communities, or people registered in the system of identification for social assistance beneficiaries (SISBEN) database of other social programs.

But, recognising that some of its students were struggling to adapt to higher education, *Jóvenes en Acción* began to offer life-skills training to complement its academic training. This provides tools to facilitate the participants' labour-market and social integration through enhancing and developing non-cognitive skills and transversal competences. The life-skills training covers a range of different elements, over eight workshops.

Twenty-five thousand participants improved their self-knowledge, ability to deal with emotions, decision-making processes, creativity and conflict-resolution skills thanks to workshops conducted in 2014. In order to cover 79,300 program participants during 2016, the program has four cycles. The first one was delivered between February and April for 23,000 participants, of whom 86 per cent were certified, with 80 per cent attendance.

Create one-stop shops. Some countries have tried to bring these aspects together in a single physical location, of the kinds that are being developed, for example, in Colombia (through the *Centros para el Empleo y el Emprendimiento*) and Guatemala. The latter has established a number of ‘one-stop shops’ throughout the country, bringing together under a single roof local representatives from a range of public services such as the Ministry of Labour, the Ministry of Social Development, the Ministry of Education and the Ministry of Economy to provide citizens with integrated and easy-to-access information and referral services. These one-stop shops are being managed by municipalities to ensure that the services offered are locally oriented.

3.4 Nurture enterprise skills

Own employment is not the ideal option for every beneficiary of social assistance. For a start a certain level of basic education is required for entrepreneurship. It is difficult to compensate for the lack of this, although it can sometimes be provided by a child in the household. In addition it can be challenging, to some degree at least, to instil the spirit of enterprise and risk-taking in individuals whose natural preference would be to be supervised and managed through more structured employment.

Teach the basics of enterprise. If care is taken to select the right households, certain essential enterprise skills can be taught (in addition to skills in the specific enterprise), such as financial literacy and capability, an ability to plan, and marketing and negotiation skills. Entrepreneurs can also be helped through group formation and communication skills.

Provide models. Peer-to-peer learning can help in some situations, although this is contextual and may be a cause for resentment rather than inspiration. For example, in Malawi it was found to be successful, whereas in the Philippines it was not. In other situations, there is a need for instruction from a respected figure of authority, such as an agricultural extension worker. And in still others, champions or successful role models can be used as a stimulus, an approach used in South Africa.

Offer a range of enterprise options. Exposure to different ideas and enterprise options is important – rather than just plumping for the most obvious or copying what others are doing, especially if this might lead to over-supply in the market. Experience from livelihoods programs in Bangladesh has shown the benefits of individual household profiling.

Give practical experience. Practical exposure to the different options can be deepened through internships and on-the-job training to provide experience, help rational selection and contribute to building durable skills within households. Good experience of this comes from Peru’s *Haku Wiñay* and the Philippines’s Sustainable Livelihoods Program (see Box 6).

3.5 Build vocational skills

The second main pathway linking social protection beneficiaries to employment, common in OECD countries, is through taking advantage of social protection interventions to provide vocational training. This is a more suitable approach for households which lack a member with an entrepreneurial bent, and for which the best option may therefore be paid employment in a larger enterprise. It is particularly appropriate in the case of adolescents and youth, for whom the challenges of accessing the labour market may be particularly acute.

Understand labour demand. It is of critical importance to undertake prior and continuing research into local demand for employment and into its inevitable evolution over time. All too often, training is static and supply driven, and does not respond to local market demand. It is equally important to be reactive to new opportunities that may emerge; recent examples are repair of mobile phones and maintenance of solar panels.

Standardise accreditation. Recognised national accreditation of qualifications is required, so that employers are confident of the quality and appropriate skills of trainees that emerge. Bangladesh and the Philippines are both working towards a set of agreed national qualifications in a range of trades that would be appropriate to social protection beneficiaries.

Schedule training appropriately. There is a need to schedule opportunities for training in such a way that the poorest can access them without incurring opportunity costs – for example, to provide training in short stints and in the evening.

Box 6 Case studies: building enterprise skills in Peru and the Philippines

A good example of combining active labour market interventions with a conventional social protection program comes from Peru, where *Haku Wiñay* targets rural households living in extreme poverty in the same rural areas where *Juntos*, the Peruvian CCT program, is being implemented. It is part of a joint strategy aimed at strengthening households' ability to sustainably overcome extreme poverty by focusing on the development of productive and entrepreneurial skills to help households strengthen income-generating capacity and diversify their livelihoods, as well as to enhance food security. To achieve these goals, the project comprises four components:

- » **family production systems** designed to help households adopt simple and low-cost technological innovations through productive assets, technical assistance and training
- » **healthy housing** aimed at promoting healthy daily living by implementing safe kitchen practices, removing poultry from the household and fostering access to safe water and efficient solid-waste management
- » **inclusive rural businesses** designed to promote business initiatives and enterprise by funding and organising competitions for grants, and by helping those interested in participating to organise and prepare business plans to pursue those grants
- » **financial education** involving training and assistance to promote formal savings, especially among those who receive cash transfers from *Juntos*.

Evaluations of an early pilot of the program, in the Vinchos and Chuschi districts, showed that total income increased by USD 500 more in *Haku Wiñay* households than in pure *Juntos* households. *Haku Wiñay* households also had greater improvements in perceptions of wellbeing, a greater increase in assets (number of chickens and guinea pigs), higher milk production, improved dietary diversity, better financial literacy and fewer respiratory problems among children than in pure *Juntos* households. The program has since been expanded, and now reaches 157,000 households across 2,100 rural towns and villages.

The Philippines has also recently been exploring linkages from its *Pantawid Pamilyang Pilipino Program* (4Ps) to its Sustainable Livelihoods Program (SLP), which involves collaboration between the Department of Social Welfare and Development, a number of other government departments and the private sector. The SLP has a 'twin-track' approach aimed at the economically active poor. The first track supports micro-enterprise development through the formation of self-employment groups (known as SLPAs) and linkages to NGOs or private sector organisations that can be markets for the goods and services produced by the SLPAs or business development service providers. The second facilitates employment through profiling, skills training, job matching, occupational guidance, counselling and job referrals. Since 2011, the Sustainable Livelihoods Program has covered nearly half a million beneficiaries in 1,617 municipalities, 85 per cent on the micro-enterprise track and 15 per cent on the employment facilitation track. To support and monitor this, the department has expanded its integrated information systems to include the ability to match individual beneficiaries' characteristics (such as educational level and occupational skills) with local information on the labour market (such as job opportunities).

Deliver training locally. Similarly training needs to be delivered locally in order to minimise travel time and costs for participants. Brazil, for example, has moved the bulk of its vocational training to simple accommodation in towns and municipalities.

Include on-the-job experience. There is potential to include opportunities for practical experience as part of vocational training (as is done through the involvement of ‘master crafts persons’ on the Skills Training for

Advancing Resources program run by the Bangladesh Rural Advancement Committee (BRAC)).

Brazil has been highly successful in many of these areas, prioritising the provision of high-quality tailored vocational training to beneficiaries of its social assistance and CCT programs; while El Salvador provides an example of linking such training to public works, and Bangladesh of integrating it with a livelihoods intervention (see Box 7).

Box 7 Case studies: linking to vocational training in Brazil, El Salvador and Bangladesh

Brazil has been very successful with its National Program for Access to Technical Education and Employment (Pronatec). Created in 2011, Pronatec aims at the promotion of access to vocational training and technical education and the insertion of its beneficiaries into the workforce. It offers either short qualification courses (with an average duration of 200 hours and minimum duration of 160 hours) or technical courses (minimum duration of 800 hours). Courses are free. The program covers costs related to all required learning materials, and provides a student assistance payment to cover indirect costs of participation such as transport and light meals. Pronatec operates with providers certified by the Ministry of Education whose training is high quality and high return. These providers are acknowledged by the market as being the best in the country in professional education. This recognition has positive consequences for the beneficiaries, enhancing their chance of being recruited.

Beneficiaries of cash transfer programs are a key target audience for Pronatec. To better serve this public, there have been many adjustments in the program since it started. An increasing proportion of the courses (indeed, since 2015 the majority of courses) are offered in the evening. Similarly, most courses (two-thirds in 2015) are now delivered through mobile units or by ‘remote provision’ (where city halls provide appropriately equipped facilities to the training institutions). This has made it possible to offer courses much closer to the communities where the target audience live, particularly in small towns and rural areas. Social assistance agents play a central role in connecting potential beneficiaries to Pronatec. They provide information about the courses to the public; undertake registration at the municipal level; follow up on students; and refer them to other labour programs.

The total number of individuals enrolled in Pronatec from October 2011 to June 2014 is nearly three million. Among those, 63 per cent are low-income individuals, about half of whom are beneficiaries of Brazil’s *Bolsa Família* CCT. Interestingly, success rates are slightly higher among the *Bolsa Família* beneficiaries, at 82 per cent (against 76 per cent among those not in their registry).

Training can also be integrated into public works. A good recent example is the *Programa de Apoyo Temporal al Ingreso (PATI)* in El Salvador, which provides work on community projects for six months, paying USD 100 per month, and includes a minimum of 80 hours of technical training and 16 hours of labour market orientation. The training is provided by the national public training institution, with funding guaranteed through payroll taxes. PATI covers over 80,000 beneficiaries from the most vulnerable and violent urban settlements in 43 municipalities. It is primarily oriented towards people between 16 and 29 years of age, with priority given to women who are household heads (70 per cent).

Similar initiatives have been tested to incorporate vocational training into livelihood programs. In Bangladesh, for example, the crucible of such programs, both BRAC and the Chars Livelihoods Programme (CLP) have recently experimented with adding vocational training to the livelihood options that they offer. Such support is targeted at households for which the most appropriate pathway out of poverty would be *ex situ* and would entail integration into the labour market rather than an *in situ* entrepreneurial activity. While these pilot programs have been small scale, early indications are broadly positive, with the vast majority of beneficiaries of vocational training and job-search support successfully finding employment as a result.

3.6 Link to markets

Especially for beneficiary households that have selected own-enterprise as their preferred pathway out of poverty, there is a fundamental imperative to link them to markets so that they have a profitable and sustainable outlet for their produce or services.

Analyse local markets. Local market analysis is essential to inform the choice of enterprise. This must be delivered through linkages to market players and information services at a local level. In Peru, the first stage of the productive inclusion program Haku Wiñay, is a diagnosis developed by small groups of local civil society representatives (called Núcleos Ejecutores). This diagnosis informs the design of municipality-specific packages of services that are tailored to the characteristics of the demand and supply of skills and entrepreneurship opportunities.

Allow freedom of choice ... Generally speaking, enterprise support must be provided in a way that is either demand or supply driven. In the former case, the participant

selects the enterprise to which he or she is most suited, and is then provided with support in that enterprise. This empowers beneficiaries by helping them come up with their own business ideas, allows them to match their skills and interests, and incorporates their insight into local preferences, tastes and cultural considerations; at the same time, however, it is also possible that beneficiaries end up participating in activities already saturated or economically nonviable if they lack a good understanding of market demands.

... or prescribe opportunities. In the latter case, it is the provider that identifies business opportunities through market and subsector mapping and demand surveys. Participants are expected to develop their businesses within the parameters selected by the provider, an approach which has advantages in serving the needs of less capable or less confident entrepreneurs.

Involve local actors. This approach also requires a good prior understanding of local conditions, to ensure that programs are adapted to the local economy (which determines labour

Box 8 Case studies: engaging with markets in Bangladesh and Nicaragua

Experience gained over the years through Bangladesh's livelihoods programs has highlighted the importance of linking beneficiaries to markets. For example, CLP's activities resulted in the riverine northern chars having an abundance of cattle for meat and milk which the local market could not absorb. In order for the beneficiaries to get profitable prices for the meat or milk or any of the other products that they grew or made, they needed to be able to supply them to larger buyers who would be able to absorb larger quantities.

A central component of CLP's market development strategy was therefore to foster the development of two institutions: business groups and char business centres. Business groups operated at village level and were made up of producers from a single sector. They aimed to provide a focal point for producers to interact collectively with traders and input sellers, making it more attractive for such businesses to trade with poor producers. The key feature of the business centres was that they included not only producers but also input service providers and buyers. These actors met regularly to discuss improvements to the way they did business together. This could have involved producers telling input suppliers how much they wanted to buy and when, so that input suppliers ordered the right amount and delivered on time. Or it could have involved planning ways to make transactions more efficient, such as the creation of collection points for milk. But the aim was the same: to coordinate the way different actors did business in order to generate win-win situations for both producers and markets.

Similarly, Nicaragua combines a CCT (modelled on the existing *Red de Protección Social*) with vocational training or a productive investment grant. The two complementary interventions both led to diversification of economic activities and better protection from shocks compared with beneficiaries of the basic CCT and with control households, thus demonstrating that combining social protection transfers with productive interventions can help households manage future weather risks and promote longer term program impacts. An evaluation of the program (Macours *et al.*, 2015) found 'For total and food consumption, as well as for income, the negative impact of shocks is completely offset'. It concluded that 'adaptation through diversification in non-agricultural activities ... does not come at the cost of higher food insecurity at the household level'. This demonstrates that linking social protection beneficiaries to markets can have beneficial impacts.

demand) and to any particular skills and specialisations of the local population (which influences labour supply). Such local understanding is best derived from local actors, such as municipalities or district offices, who have a key role to play in area-specific diagnosis; and may even involve the private sector, whose activities impact local demand for labour and the development of local markets (see the examples from Nicaragua and Bangladesh in Box 8).

3.7 Link to services

Linking social protection beneficiaries to employment will be indirectly facilitated through linkages to a wide range of government (and non-government) services, such as health, education, infrastructural, financial and veterinary. This sub-section discusses two specific services which can directly help social protection beneficiaries to access employment: childcare and job search.

Provide childcare. It has long been recognised that the provision of free or subsidised childcare has direct impacts on employment, by enabling women to return to work even while they have young children. This allows them to maintain family income during the period when they are also facing additional costs as a result of having children. If, on the other hand, mothers – especially single mothers – have to pay for childcare they have minimal incentives to return to work, since a high proportion of their salaries will be absorbed by the costs of childcare, in particular for those with lower incomes. In addition, older siblings (primarily girls) who may be forced to drop out of school to take care of younger family members also benefit from childcare services, by being able to complete their education, avoid early marriage, and attend training and skills development sessions that can enable them to join the workforce. Yet experience with this kind of program in developing countries is very limited. India (see Box 9) is one country where there have been some pilots.

Argue the benefits of childcare. In addition to being an efficient way to support poor mothers (perhaps even more efficient than cash transfers in the form of child benefits), the provision of free or subsidised childcare to social protection beneficiaries would make sense for governments. Childcare can stimulate economic growth, in particular when it enables skilled workers to re-enter the labour market. In Quebec, for instance, almost free childcare added 1.5 per cent to the province's gross domestic product growth.

Link childcare to public works. Finally, there is a two-way linkage between childcare and the more traditional approaches to social protection that supports employment. In one direction, the provision of childcare can both facilitate access of the poorest mothers to public works programs or employment guarantee schemes, from which they might otherwise be excluded, and liberate them to make more productive, more profitable use of asset transfers or livelihood support. In the other direction, such public works or employment guarantees can be used to employ and train poor women to provide childcare to others – potentially a more appropriate and socially beneficial task than most of the physical labour that currently dominates employment opportunities on such programs.

IT HAS LONG BEEN RECOGNISED THAT THE PROVISION OF FREE OR SUBSIDISED CHILDCARE HAS DIRECT IMPACTS ON EMPLOYMENT, BY ENABLING WOMEN TO RETURN TO WORK EVEN WHILE THEY HAVE YOUNG CHILDREN.

Provide job-search support. Many countries have existing programs that are designed to help job-seekers find appropriate employment. Sometimes these are run by government; sometimes they are linked to the private sector. But they are very often not accessible to the typical beneficiaries of social transfer programs, either because they are not aware of them or because they lack the confidence to engage with them. There have recently been attempts in Latin America to incorporate job search into social protection initiatives. The Philippines provides another example of this, and the National Youth Employment Programme in Uganda provided job-search assistance and access to labour market information; but such attempts have been few and far between. This is nonetheless an aspect of linking to services that should be further explored and encouraged.

Box 9 Case studies: linkage to childcare in India and Liberia and to services in Latin America

India's interest in the provision of childcare to social protection beneficiaries stems from a recognition by the 2002 Commission for Labour study that the absence of childcare was one of the three main issues causing insecurity for poor women. Inadequate childcare services restrict women's educational and economic opportunities and contribute to gender inequality. Working Indian women have to juggle different childcare arrangements, often bringing children to work, leaving them at home unattended or entrusting their care to older siblings, who may be compelled to drop out of school – which can, in turn, contribute to marriage at a young age, thus perpetuating a cycle of degradation and poverty. In the outskirts of Delhi, an NGO called Mobile Creches establishes and operates crèches at large building sites and in slum settlements to allow mothers of young children to find construction work in the city. In Rajasthan a similar initiative, run by another NGO, Seva Mandir, has set up some 200 community preschools, called *balwadis*, that cater to the educational, nutritional and all-round developmental needs of children aged 1 to 5. Evidence from these pilots suggests that they are successful in enabling mothers of young children to access (or return to) the labour market. And they also have a range of other positive impacts on: (i) the mother, through improved time use, wellbeing, mental health, overall autonomy and empowerment; (ii) the children, through enhanced nutrition, early childhood development and stimulation, resulting in much greater preparedness for, and receptivity at, primary school; and (iii) older siblings, who can continue their own education rather than dropping out in order to help with childcare and household chores.

An interesting example of a program that combines both skills training and childcare is the Economic Empowerment of Adolescent Girls and Young Women project in Liberia. This initiative specifically targeted young women. It provided training in the locality in which they resided (taking into account their mobility constraints), and included free childcare (addressing their family responsibilities). These considerations may help explain the project's success – it led to a 47 per cent increase in employment and an 80 per cent increase in average weekly income among project beneficiaries.

In Mexico, the *Territorios Productivos* program aims to provide multi-faceted support to beneficiaries through linkages to multiple government services. For example, there is an agreement with the National Employment Service that beneficiaries of the Prospera program (previously *Oportunidades*) should be prioritised to join the *Bécate* program of vocational training, which provides training courses to acquire or strengthen their skills to get a job or start their own business. There is also an agreement with the national development bank to facilitate beneficiaries' access to savings accounts, life insurance, preferential loans and financial education. The linked *Jóvenes con Prospera* program was created to encourage beneficiaries of Prospera to complete higher education before they turn 22 years old, by providing a cash grant of about USD 300 into a savings account on a points-earned basis. Other linked programs include others run by the Secretariat of Social Development (providing loans and technical assistance to producer groups), the Ministry of Agriculture, Livestock, Rural Development, Fisheries and Food (support to female agricultural entrepreneurs), the Secretariat of the Economy (microfinance for rural women); and the National Fund for the Promotion of Crafts (training, funding, technical assistance and marketing for handicrafts).

3.8 Bring it all together

Experience from livelihoods programs that incorporate a number of the elements discussed in the preceding six sub-sections has demonstrated that it is possible – and productive – to link social beneficiaries to a range of supporting services in a way that moves them along the pathway to sustainable employment. They have illustrated a number of valuable lessons. But such programs have to date been predominantly implemented independently by NGOs (albeit in the case of BRAC in Bangladesh on a relatively substantial scale). This means that the linkages between the social protection components and the sustainable employment components have been handled internally by the NGO itself. Nowhere yet have integrated livelihoods programs been offered at scale by national governments, where there is a different challenge in the need to integrate social protection (for example, ministries of social welfare and food security) with services that are the responsibility of other branches of government (such as ministries of labour, education, employment, agriculture, trade, youth and women's affairs).

As discussed above, Latin America in particular exhibits a number of preliminary examples of combining existing large-scale social transfer programs with (often already existing) labour market interventions and other services in order to deliver improved linkages of social transfer beneficiaries into the labour market. Key components of achieving this successfully are high-level commitment, institutional coordination and informative evaluation.

Identify a national champion. First, the desire to reduce poverty through social protection leading to employment must come from the top. A national champion has been an important hallmark of many of the most successful social policy reforms, from Bismarck in Germany and Beveridge in the UK through to Mandela in South Africa, Lula in Brazil and Kagame in Rwanda. More recently, this kind of high-level political commitment has driven such developments in much of Latin America.

Establish a coordination mechanism. Second, there needs to be a strong mechanism for institutional coordination (see Box 10 for diverse examples of how this has been achieved in Latin America). Here there are three main options.

Box 10 Case studies: institutional integration in Latin America

Chile has a comprehensive family support package, run by the Solidarity and Social Investment Fund (FOSIS). It comprises *Ingreso Ético Familiar* (formerly *Chile Solidario*), a cash transfer program with bonuses for special achievements, plus two other initiatives: (i) a youth employability program targeting unemployed youth beneficiaries aged 18 to 29 through an individual job placement plan, either through direct employment or through referral to other labour ministry programs to launch their own micro-enterprises; and (ii) a separate FOSIS micro-enterprise support program that offers training in building, entrepreneurial, trade and business management skills, together with USD 500 seed capital to start a new business. Institutional coordination of the social sector is through a multi-sectoral committee which has a direct advisory role to the President and to the Ministry of Finance on the prioritisation of interventions in the budgeting process. Resource transfers to institutions are conditioned on the achievement of a set of goals negotiated at the start of each year; if these are not achieved, budgetary allocations for the following year are reduced.

Brazil is similarly engaged in improving the integration between its social protection and production initiatives through the *Brasil Sem Miséria* plan. In El Salvador, the Comunidades Solidarias Rurales transfer program includes a component aimed at generating income and productive development. And Colombia's *iniciativas rurales integradas* aim specifically to maximise synergies between different programs operating in rural areas. All these initiatives require significant collaboration between government players, which is sometimes underpinned by financial incentives. In El Salvador, for example, there is a national coordinator in the Technical Secretariat of the Office of the President with the necessary political convening power to align sectoral initiatives around the program's goals. The implementing agencies receive output-based disbursements directly proportional to the number of participants trained. To evaluate the success of its cross-ministry collaboration, Mexico has a National Council for the Evaluation of Social Development Policy (CONEVAL), which has the mandate to evaluate programs and the authority to influence budgeting processes to prioritise programs that are proved to have a higher impact on stated development goals.

- » The first is to recognise the cross-sectoral nature of social protection, and house the main implementing agency within a strategic oversight institution such as the prime minister's office, the cabinet office, the finance division, or the planning commission. This is the approach in Malawi (President's office).
- » The second approach is to house the main implementing agency in a line ministry that possesses (or can be endowed with) sufficient power and resources to ensure collaboration with other line ministries. This is the case for example in Ethiopia (agriculture ministry), Brazil (social development ministry) and Nepal (local development ministry).
- » The third option is to establish a new semi-autonomous/quasi-governmental agency with specific responsibility for social assistance. This is the case for example in South Africa (with the South African Social Security Agency), in Pakistan (with the Benazir Income Support Programme) and in Mauritius (with the National Empowerment Foundation), as well as in many OECD countries.

Ensure robust evaluation. Finally, evaluation is important. Having robust, independent systems for monitoring and evaluation generates evidence on impact that builds political and public support for interventions, as well as encouraging their ongoing evolution. Much of the success of Latin American programs derives from the highly effective evaluations that have been undertaken, which demonstrate that social transfer beneficiary households can be connected to sustainable employment, with a resultant reduction in the burden on national social protection programs.

LATIN AMERICA IN PARTICULAR EXHIBITS A NUMBER OF PRELIMINARY EXAMPLES OF COMBINING EXISTING LARGE-SCALE SOCIAL TRANSFER PROGRAMS WITH (OFTEN ALREADY EXISTING) LABOUR MARKET INTERVENTIONS AND OTHER SERVICES IN ORDER TO DELIVER IMPROVED LINKAGES OF SOCIAL TRANSFER BENEFICIARIES INTO THE LABOUR MARKET.



4. SUMMARY

This Guidance Note recognises that life-course social protection has the potential to have multiple impacts on employment, almost all of them positive. However, many of these beneficial effects are indirect and will occur only in the longer term. So what is essential in the short term is to make sure that the arguments are robustly presented to policymakers, that monitoring and evaluation systems capture the impacts on employment, that disincentives are avoided and insurance is provided against unemployment, and that special programs are available to people with disability.

The Guidance Note then focuses on the more immediate issue, of primary concern to policymakers, of getting current beneficiaries of social protection programs – of whatever type – into sustainable decent work. This approach represents a convergence of interest between the beneficiaries themselves (who want to find work) and their governments (who would rather see them in productive employment than as part of the social assistance caseload). But it does require proactive linkages between social protection and other government institutions, and the prioritisation of service delivery to such beneficiaries. The Guidance Note discusses this under six key areas: knowing the beneficiaries; developing soft skills; nurturing enterprise skills; building vocational skills; linking to markets; and linking to services. For each one, and for the important aspect of bringing them all together, it presents examples of good practice – many drawn from experience in Latin America, which has recently been leading the drive towards productive inclusion of social protection beneficiaries.



THIS GUIDANCE NOTE
RECOGNISES THAT LIFE-COURSE
SOCIAL PROTECTION HAS THE
POTENTIAL TO HAVE MULTIPLE
IMPACTS ON EMPLOYMENT,
ALMOST ALL OF THEM POSITIVE.
HOWEVER, MANY OF THESE
BENEFICIAL EFFECTS ARE
INDIRECT AND WILL OCCUR ONLY
IN THE LONGER TERM.

5. USEFUL LINKS

Research for Development Outputs, UK Government:
<http://r4d.dfid.gov.uk/PDF/Articles/cash-transfers-literature-review.pdf>

Economic Policy Research Institute, South Africa:
<http://epri.org.za/>

Core Diagnostic Instrument, Inter Agency Social Protection Assessments: <http://ispatools.org/core-diagnostic-instrument/>

Public Works, Inter Agency Social Protection Assessments:
<http://ispatools.org/public-works/>

Public Works as a Safety Net, World Bank:
<https://openknowledge.worldbank.org/bitstream/handle/10986/11882/9780821389683.pdf?sequence=2>

Graduation into Sustainable Livelihoods, Consultative Group to Assist the Poor: <https://www.cgap.org/topics/graduation-sustainable-livelihoods>

Research & Publication, Bangladesh Rural Advancement Committee: <http://research.brac.net/new/publications>

Lessons Briefs, Chars Livelihoods Programme:
<http://clp-bangladesh.org/publications/lessons-briefs/>

Working Papers, Shiree: <http://www.shiree.org/research/working-papers/#.V3OSbrh942w>

Online Communities, socialprotection.org:
<http://socialprotection.org/connect/communities/south-south-knowledge-exchange-forum-linking-social-protection-employment>

Reports, FAO: <http://www.fao.org/economic/ptop/publications/reports/en/>

The Transfer Project: <https://transfer.cpc.unc.edu/>

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