Briefing 85

Can social protection and labour programmes contribute to social inclusion?

Evidence from Afghanistan, Bangladesh, India and Nepal

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Policy recommendations

- Social protection and labour programmes can be designed and implemented to tackle the outcomes and drivers of social exclusion.
- A recognition of the context-specific factors that drive social exclusion needs to be fed into programme objectives, design and implementation.
- The design of social protection and labour programmes must start with social and institutional analysis to assess the factors that affect people's access to resources, services and social and economic opportunities and their exclusion or inclusion. A social exclusion framework provides a useful tool for such analysis.
- The objectives and nature of current social protection and labour instruments may limit their potential impact on social exclusion, making it vital to link interventions with other policies and initiatives – in the social sectors and beyond – to address the drivers of exclusion.

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Discussions around the post-2015 development goals and the proposed 'leave no-one behind' principle have revived global interest in inequality and the role of social protection in promoting social inclusion. But is there too much emphasis on the potential of social protection alone to address broader goals of equity, social justice and empowerment? Can social protection tackle the wider structural drivers that perpetuate poverty and inequality?

This briefing paper discusses the answers to these questions, drawing on primary ODI research (Box 1) from four South Asian countries – Afghanistan, Bangladesh, India and Nepal – which examined whether social protection and labour programmes can tackle the drivers of social exclusion that generate poverty.

Box 1: Research approach

The research was based on a social exclusion framework to emphasise the many dimensions of well-being and reveal the processes that fuel deprivation and marginalisation.

A mixed-methods research approach combined quantitative and qualitative research tools for primary empirical research in all four countries. The quantitative assessment – as well as soliciting the views of beneficiaries – used a quasi-experimental design to establish the impacts of the interventions, using Propensity Score Matching. This was complemented by qualitative fieldwork (focus group discussions, in-depth interviews and key informant interviews) to collect detailed information on the implementation of the programmes and impacts on households, as well as broader contextual data.

Can social protection and labour programmes contribute to social inclusion?

There is plenty of evidence on the positive impact of social protection and labour programmes on aspects of well-being, such as food consumption and access to health and education. More attention is now focused on social protection's wider 'transformative' role in contributing to social inclusion and empowerment. It is argued that social protection can help people meet their basic needs, while also contributing to their long-term well-being and to broader societal goals of inclusion, equity, social justice and empowerment (Sabates-Wheeler and Devereux, 2008; UNICEF, 2012). However, we know less about their ability to tackle the structural drivers of social exclusion and poverty.

ODI research aims to fill this gap by assessing how social protection and labour interventions have promoted social inclusion in four countries. It has assessed how interventions may address both *outcomes* and *drivers* of social exclusion. On outcomes, the research has examined the impacts of interventions on five dimensions of well-being: food security; access to health and education; the ability to take advantage of economic opportunities and generate income; participation in social networks and activities, and state-society relations. On the drivers of social exclusion, the research has assessed the economic, social and institutional factors affecting well-being (Box 2). The assumption is that interventions may contribute to well-being without necessarily changing structures and processes that cause vulnerabilities and poverty.

Case studies

Research in **Afghanistan** explored whether training for young women at **adolescent reading centres** (**ARCs**) under the BRAC life skills and livelihoods training initiative enabled them to engage in the labour market and earn an income in Kabul and Parwan provinces. Serious inequalities remain between men and women in Afghanistan in labour market access and income generation (Ganesh et al., 2013).

In **Bangladesh**, research examined the effect of two social protection programmes on deprivation and social inclusion: the **Chars Livelihoods Programme** (**CLP**) and the **Vulnerable Group Development** (**VGD**) **programme** in the Chittagong Hill Tracts (CHT). The Chars and the CHT areas have higher than average levels of poverty, and poor households in these areas face economic, social, ethnic and political marginalisation that keeps them in poverty (Barkat et al., 2007; Sen and Hulme, 2004). Both programmes are targeted at poor women: CLP is an asset-transfer programme that combines an integrated economic and social empowerment approach, while VGD provides food support and training.

The research in **India** asked whether a recent government initiative, **Rashtriya Swasthya Bima Yojana** (**RSBY**), helped marginalised groups to access and use health services. Out-of-pocket health expenditure in India is a key driver of poverty (Selvaraj and Karan, 2009) and health access, care and outcomes are highly unequal: marginalised households, including Scheduled Castes, Scheduled Tribes and Muslims, have poorer health outcomes and face specific barriers in accessing and using services. RSBY provides social health insurance at a subsidised rate to households below the poverty line, which receive in-patient treatment to a value of Rs 30,000 (around €352) per year for five members in exchange for an annual fee of Rs 30 (around €0.35).

Finally, the research in **Nepal's** Karnali region analysed the impact of the **Child Grant** on dimensions of social exclusion, including food security, social capital and state-society relations. Socially excluded groups in Nepal have higher mortality rates, poorer health and more limited educational and economic opportunities (DFID, 2013). Karnali region has large numbers of excluded groups; Kalikot district, for example, has the largest population

of Dalits in the country – a group that has long been marginalised for being 'low-caste'. The Child Grant launched by the Government is a cash transfer of NRs 200 (€1.50) for mothers with children under the age of five, aiming to improve the nutrition of these children. It is universal in Karnali and targeted at Dalit households elsewhere in Nepal.

Research findings

The research finds that the interventions in the four countries have helped to improve specific aspects of well-being to varying degrees. Key impacts include lower household spending on in-patient health care (RSBY in India); improved food security and productive capacity (CLP and VGD in Bangladesh); increased knowledge and improved social relations (ARC training in Afghanistan); and a small increase in household consumption (Child Grant in Nepal).

The study also addressed the extent to which the interventions tackled key drivers of social exclusion (Box 2). It found that the interventions have had some, albeit small, impact on the drivers of social exclusion.

All programmes target areas or groups that are excluded and have – to some extent – strengthened social relations, including social participation and social networks. Furthermore, the RSBY scheme in India has institutionalised *inclusive* health-care provision through public health insurance to poor households that were previously excluded from such insurance by its cost. In Bangladesh, the integrated economic and social approach of CLP has expanded productive opportunities for women, allowing them to diversify their livelihoods.

The findings also show, however, that the interventions rarely tackled the drivers of social exclusion. We identified three factors that explain their limited impact in this area.

- Context-specific economic, social and institutional factors that mediate and reduce programme impacts.
- A lack of financial resources and service delivery capacity that curtail programme outcomes.
- The objectives and nature of social protection and labour instruments that may limit their impact.

Economic, social and institutional drivers of social exclusion reduce programme impacts. Cultural and social norms that limit women's access to capital and markets in Afghanistan were not adequately considered in the design of the ARC programme. Even tailoring – which appears to be a feasible and sensible choice as it is culturally acceptable and does not require women to work outside their homes – requires further input and capital (e.g. to purchase sewing machines), which most women lack. A focus on improving women's skills alone may not be enough to enable them to take advantage of economic opportunities. The limited accountability of local authorities in Karnali in Nepal means unpredictable, irregular and partial payment of the Child Grant. Exclusion of the poorest from productive resources and ethnic and gender discrimination limit the role of the Bangladesh VGD programme in securing sustainable livelihoods for its beneficiaries. While VGD has a positive impact on household income, female beneficiaries reported that its skills training in agriculture does not tally with their livelihood opportunities, given their lack of start-up capital or agricultural land. Unless these challenges are tackled, skills training will have limited impact.

A lack of financial resources and service delivery capacity curtails programme outcomes. The Child Grant in Nepal, for example, is too small (equivalent to 13% of the poverty line or the cost of one chicken) to enhance household food security in any substantial way, given the multiple deprivations faced by households in the Karnali region. In India, the design and implementation of RSBY is not tailored to address the wider barriers that stop socially excluded groups accessing and using health care. It offers partial financing and covers only part of overall health expenditure. As a result, Scheduled Caste beneficiary households continue to experience higher out-of-pocket expenditure on health than other social groups. The RSBY implementation processes do not adequately support outreach and information dissemination among Scheduled Caste individuals, who report receiving less information on enrolment and using hospitals covered in the scheme. The livelihoods training in Afghanistan has not, according to most beneficiaries, been effective in teaching girls the tailoring skills they need to undertake business activities, even if such activities were open to them.

The specific objectives and nature of social protection and labour instruments may limit their impact potential: i.e. the scope of change they can achieve on their own. While RSBY aims to address social inequalities by helping marginalised groups to access health care, RSBY *itself* is permeated by existing divides that reinforce institutional discrimination and stigma. A higher proportion of Scheduled Caste and Muslim households report discriminatory behaviour during their health care, and paying for what should

Box 2: Economic, social and institutional drivers of exclusion

Economic drivers

Geographic and economic context
Human capabilities
Access to productive resources and capital

Social drivers

Social capital
Social and gender norms
Local power structures

Institutional drivers

Inclusiveness in service delivery
Governance

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be reimbursable costs. Findings from Afghanistan show that policy interventions must not only deliver effective teaching and learning outcomes but also tackle social, economic and institutional factors that result in unequal access and multiple deprivations. Similarly, in Bangladesh the CLP programme cannot generate transformative changes in livelihoods and opportunities for women, given the barriers women face in leasing land and marketing goods. The evidence from Nepal suggests that implementation of the Child Grant is hindered by weak governance that cannot be changed via social protection alone, as the programme's monitoring and accountability mechanisms are weak. Uprooting corruption, clientelism and mismanagement, and promoting good governance and institutions, require systematic, long-term policy engagement and structural change.

Policy implications

The case studies suggest that **context-appropriate institutional design and implementation** of programmes can help to promote transformative change and maximise the impact of interventions on social exclusion. Recognition of structural factors needs to be part of programme objectives, design and implementation and may include tackling gender inequality, promoting women's empowerment, strengthening voice and agency and creating more diverse and sustainable livelihood opportunities.

The research reinforces the importance of **adequate financial resources and service delivery capacity** to maximise intervention outcomes. Design features, such as the size of benefit and regularity of provision, as well as the implementation and outreach capacity that underpins service delivery, influence potential contributions to social inclusion.

Design of policy instruments must start with **social and institutional analysis** of factors that affect people's access to resources, services and social and economic opportunities and that influence social exclusion outcomes. Careful assessment and identification of these factors can shape the intervention's theory of change and its conceptual and technical design. It can also help to identify the strengths and weaknesses of specific instruments and establish measures to address factors beyond the reach of social protection. A **social exclusion framework** is a useful tool to assess outcomes and drivers of social exclusion and their intersections with poverty.

Social protection and labour instruments cannot tackle the drivers of social exclusion and poverty alone. They need to be part of a broad framework to promote social inclusion. **The institutionalisation of policy linkages is crucial to address the drivers of exclusion.** Policy linkages can be promoted across the social sectors, between social assistance, social work, social care, health, nutrition and education. In addition, cross-cutting policies and activities that go beyond the social sectors are vital to address legal, administrative and institutional barriers to services and to productive opportunities.

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