

Highlights

The State of Social Safety Nets 2015

World Bank

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Social safety nets are noncontributory measures designed to provide regular and predictable support to poor and vulnerable people.

Social Safety Net Programs

In this report, social safety net programs have been examined in line with international standards as noncontributory programs in cash or in kind meant to support the poor and vulnerable. They are programs on cash and in-kind transfers with the goal of protecting families from the impact of economic shocks, natural disasters, and other crises and enable them to invest in themselves and their children.

Social Safety Net Programs helps to reduce poverty and boost prosperity

The newer studies confirm the positive and significant impacts of cash transfers on school enrollment and attendance; increased live births in safer facilities; improved prenatal and postnatal care; regular growth monitoring of children during critically important early ages; and enhanced food security. The studies also delve deeper into the productive impacts of cash transfers, demonstrating how predictable cash transfers enhance household's investment in activities to generate agricultural and nonagricultural income.

Key Findings on Social Safety Net (SSN) Programs

- Benefits 1.9 billion people in 136 countries particularly in low- and middle-income countries.
- In low-income and lower-middle-income countries, social safety nets cover only 25% of the poor, compared to 64% in upper-middle-income countries.
- A growing number of developing countries are investing in social safety nets to improve the lives and livelihoods of billions of poor and vulnerable people, yet around 55 percent of the world's poor or 773 million people with acute needs still lack safety net coverage —especially in lower-income countries and in urban areas.
- Some 718 million people are enrolled in cash transfer programs, including public works, and constitute 36 % of social safety net globally. It constitute the highest share of spending in all regions except in Sub-Saharan Africa, where food and other in-kind transfers dominate.
- Reduce the poverty gap by 15%. On average help reduce the poverty headcount rate by 8%.
- The combined spending on SSN amounted to about US\$329 billion between 2010 and 2014
- On average, developing countries spend 1.6% of their GDP on SSN. This is low compared to other public policy measures such as fuel subsidies.

Key Findings on Social Safety Net (SSN) Programs

- The world's five largest social safety net programs are all in middle-income countries (China, India, South Africa and Ethiopia) and reach over 526 million people.
- In Sub-Saharan Africa and South Asia, where most of the global poor live, SSN cover 1/10th and 1/5th of the poorest 20%, respectively.
- Conditional cash transfer programs account for over 50% of the beneficiaries in social safety net programs, and are now present in 64 countries, a dramatic increase from 2 countries in 1997. These programs have major positive spillover effects on the local economy of target communities. Recent evidence shows that these programs have a nominal income multiplier ranging from US\$1.34 to \$2.52 for each \$1.00 transferred. On the other hand, social pensions and unconditional cash transfers are less well targeted to the poor. Conditional cash transfers are the best targeted safety net programs, devoting as much as 50 % of benefits to the poorest 20 % of the population.
- School feeding and fee waivers cover around 600 million people, or almost one-third of safety net beneficiaries. Unconditional cash transfers and conditional cash transfer programs, including public works, reach 718 million people or 36 % of global social safety net beneficiaries

Challenges

- Social safety nets expand in developing countries, but poorest still lack coverage. Only one-third of the poor are covered by any type of social safety net globally.
 - Low-income countries still face the greatest gaps in reaching the poorest people.
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