

# Are social protection systems in Latin America and the Caribbean shock-responsive?

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**There is growing global recognition** of the role social protection can play in emergency response. In Latin America and the Caribbean natural disasters have occurred with increasing frequency in recent decades, and at the same time social protection systems have evolved and expanded substantially, providing an opportunity to support the response to large scale shocks.

Social protection systems have played an important role in emergency response in Latin America and the Caribbean, mostly in response to economic shocks, with the notable exception of the 2016 earthquake crisis in Ecuador.

Social protection has conceptually and empirically been linked to shock response. The impressive growth of schemes in the region primarily concerned with poverty reduction should not undermine the ongoing role of social protection in risk management. Social protection is concerned with supporting people in need, regardless of whether this need is an established socio-economic condition, part of the life-cycle or caused by a shock (Beazley et al. 2016). However, these different functions of social protection systems may entail conflicting objectives, target populations and operational processes.

**The role of social protection in shock response** – Based on our theoretical framework (ibid.), we study the preparedness of a system, focusing on three key aspects: targeting, delivery and coordination, and the responsiveness, following the five different types identified by OPM (2015): (i) vertical expansion (top-ups): increasing the benefit value or duration of an existing programme; (ii) horizontal expansion: adding new beneficiaries to an existing programme or system; (iii) piggybacking: using an existing social protection programme, system or process to channel the response; (iv) shadow alignment: developing a parallel humanitarian system that aligns as best as possible with a current or possible future social protection programme; and (v) refocusing: shifting a programme objective, priority or target group, to address the basic needs of the affected population.

**System preparedness** – Although there have been a wealth of experiences regarding targeting mechanisms in social protection schemes, they were typically designed to address chronic poverty and thus are not as flexible as they would need to be to address transient poverty resulting from a shock. Therefore, a few countries have created or adapted existing targeting systems to suit the needs of emergencies (i.e. Chile and Dominican Republic), although in most cases targeting mechanisms still need to be further strengthened to enable timely and effective responses.

The integration of databases has the potential to improve targeting during emergencies. Integration has increased coordination within social sectors (social protection, health, education etc.) in countries such as Argentina, Brazil, Chile, Colombia and Dominican Republic, although linkage with disaster risk management sectors still needs to be strengthened. In the case of social registries, databases/registries which collect and store comprehensive information on potential beneficiaries to enable shock response, they would need to represent a large enough snapshot of a country's population and contain data useful to assessing contextual vulnerabilities.

E-payment systems are also well established in many social protection systems in the region, enabling governments to reach a large proportion of the poor population. These systems are a promising way to deliver support with speed, precision and

flexibility during emergencies. However, there has been limited investment in adapting existing delivery mechanisms or developing new ones to the needs of emergency response. Most systems are designed to deliver cash-based benefits, although depending on the type of shock, the existence of and accessibility to markets and the objectives of the response, non-cash benefits may be needed.

Coordination prior to the crisis is essential for an effective response. Actors at international, national and subnational levels and from different social protection and civil protection/disaster risk management sectors need to coordinate their responses. Despite increased awareness of the importance of this coordination and certain initiatives, such as inter-ministerial committees, this is still an incipient area. In practice, social protection and civil protection sectors run in parallel, with little interaction and planning.

**System response** – As opposed to other regions, in Latin America and the Caribbean governments tend to lead and fund the response to shocks. It is, therefore, not surprising to find that most responses are vertical or horizontal expansions or a combination of both. In relation to piggybacking, the support that the World Food Programme (WFP) provided to the Government of Ecuador in response to the 2016 earthquake is a good example of collaboration between humanitarian actors and governments. The WFP channelled its support through the emergency allowance *Bono de Alimentación*, which relied on systems, processes and infrastructure used by regular social assistance schemes.

Regarding the different social protection schemes used for emergency responses, cash-based social assistance is the most popular. This is linked to the fact that much administrative capacity has been built over the years for their management. Increasing cash benefits is often the 'go-to' measure (Argentina, Chile, Guatemala and Mexico). In other cases, school meals have also been used in emergency responses (i.e. Haiti, Honduras and Nicaragua). Short-term, labour-intensive public works have also been implemented in countries such as Argentina, El Salvador, Mexico, Peru and Uruguay. Despite the fairly low coverage of social insurance—particularly coverage of poor people—there are some experiences in the region of expanding social insurance vertically in response to emergencies (i.e. Argentina, Brazil, Costa Rica, Dominican Republic and El Salvador).

Reaching those who are not involved in regular social protection systems remains a key challenge. The ability of a system to respond effectively depends not only on its maturity but also on the investment made in adapting existing targeting and delivery systems and coordinating with civil protection and humanitarian sectors. More work needs to be done on this front, so that responses do not simply entail using systems built for other purposes but adapting them to the needs of emergencies.

## References:

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