



PARLIAMENTARY NETWORK ON THE WORLD BANK

The World Bank Holds Consultation on Social Protection and Labour Strategy

29 April 2011

The World Bank on 29 April held a consultation meeting entitled 'Building Resilience and Opportunity: *Better Livelihoods for the 21st Century*' to solicit input on its future Social Protection and Labour Strategy for 2012-2022. The conference was held at the Sorbonne - *Université Paris I Pantheon* and was attended by members of civil society. Arup Banerji, Director of Social Protection and Labour, the World Bank, presented the main considerations for the new strategy. Giorgia Giovannetti, Professor at the European University Institute, Florence and Team Leader for the 2010 European Report on Development followed with a presentation on 'Social Protection for Inclusive Development: A New Perspective in EU Co-operation with Africa'. She discussed the findings of the 2010 Report in terms of future Social Protection objectives and current successes.

Consultation highlights

Over the last 20 years the frequency of disasters has almost doubled, each disproportionately affecting the poor. The world wide share of population age 65 and older is expected to double to over 16% by 2050, while the share of the youth in the total population drops. This increases the need for productive youth employment and old-age protection. Additionally, with the majority of the world living in urban areas, and 90% of urbanisation occurring in developing countries, the Bank needs to readdress their predominantly rural based Social Protection (SP) and Labour strategies.

Banerji explained that the Bank sees SP and Labour policies as crucial in building resilience and opportunity as well as being a key driver of sustainable growth. Therefore SP and Labour must be central to the Banks goals, especially when 80% of Sub-Saharan Africa receives no transfer at all. He maintained that there is no consensus over one particular method of SP that ought to be followed but rather strategy should be country and situation specific. He also reflected upon the challenges that remain in terms of the varying definitions and connotations surrounding the term SP in different countries. Therefore, solidifying a better understanding of the four main areas of SP – Crisis response, Risk mitigation, Poverty alleviation and Economic Growth – is crucial for the new SP and Labour Strategy 2012-2022. The new strategy will attempt to address what Banerji called **the four gaps in SP and Labour:**

- Integration: fragmented and unharmonized programs;
- Coverage: major programs are mostly in middle-income countries;
- Weak connection to productivity: insufficient links to human capital accumulation, skills formation and labour market insertion; and
- Global knowledge: inadequate data, results-focus and transmission of good practice.

The World Bank estimates that work needs to deepen in four areas to address these gaps. Firstly, **appropriate, context-specific SP and Labour systems must be built**. Secondly, **expand SP and Labour coverage in lower-income and fragile states**. Over the past three years SP has represented 12% of World Bank lending, the majority of which goes to 15 middle-income countries. Thirdly, **promote**

links to human capital, skills and labour market insertion and finally, **expand investment in results and knowledge** to better understand what works in practice and meet the needs of the poor. While Banerji described this new strategy as “the first ever systematic attempt to take SP across the globe”, participants in the consultation noted that in practice a ‘systems’ approach is delivered in terms of programs.

Laura Rawlings from the World Bank defended the role of civil society and the private sector in providing assistance with SP goals. She stated their role as laboratories for innovations, partners in delivering services; particularly when governments do not have the capacity to provide transfers, and providers of jobs. Civil Society also acts to hold governments accountable. When asked about the role of the Bank at a community level, Banerji said that the Bank is limited in that it is bound to work with governments. However, he stressed the role of the wider development community in taking advantage of transition governments to implement community stability programs that can sustain further change.

During the discussion, it was stressed that there must be more coherent and expansive censuses conducted in order to identify and successfully deliver transfers to the poorest people. Banerji defended the use of SP lending to help middle-income countries as they have the infrastructure already in place to successfully utilise the flow of cash in crisis situations. The poorest states, he said, had no system in place to absorb any bank lending for SP. The three greatest problems in building state capacity in fragile states to endorse SP and Labour are financing, stable institutions and service delivery.

Giovannetti made a case for SP and Labour strategy at the European and International Level. She defended the evidence that SP helps project other development goals. For example without risk mitigation many children are likely to be taken out of school, the most vulnerable being girls. She argued that SP is more than a safety net, that it builds resilience. While many challenges remain in achieving all SP and Labour goals, Rwanda’s *Ubudehe* (local collective action) approach shows that the decentralised approach can work. There is further positive feedback at the national level after Kenya changed her constitution to include SP.

Participation of PNoWB members in the consultation

This Paris consultation was part of the global consultations on Social Protection and Labour, preceded by a Concept Note reviewed by the World Bank Board in January 2011. This is the first phase of the consultation, which will run until the end of May 2011. PNoWB members can find the meetings schedule and the online feedback form on the consultation [website](#), and are strongly encouraged to contribute to the consultation. In June the World Bank will review the stakeholder input and will prepare a draft of the strategy for September 2011.

The next phase of the global consultation is planned for October-November 2011.

Participating in consultations increases the chances of better informed policies and it helps draw attention to issues not previously considered. In particular Parliamentarians in developing countries should take an active role in the Bank’s Social Protection and Labour Strategy consultation as it will have a direct effect on their countries population and development strategy.

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