THE SOCIAL PROTECTION INDICATOR

Assessing Results for Asia

ASIAN DEVELOPMENT BANK

50 YEARS

ADB

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ASIAN DEVELOPMENT BANK

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Abbreviations

ADB	Asian Development Bank
GDP	gross domestic product
ILO	International Labour Organization
SPI	Social Protection Indicator

Foreword

Social protection is integrated into the Sustainable Development Goals. It is also a key element of national strategies to promote inclusive growth, reduce poverty and inequality, and enhance human development. Yet, the International Labour Organization's World Social Protection Report, 2014–2015, notes that only 27% of the global population enjoys access to comprehensive social security systems, and only 17% of the labor force in Asia and the Pacific is eligible for benefits. These figures highlight the pressing need to accelerate efforts to ensure basic social security for all.

The long-term strategic framework of the Asian Development Bank (ADB), Strategy 2020, recognizes social protection as a pillar of inclusive growth in Asia and the Pacific. The Social Protection Operational Plan, 2014–2020, provides directions for ADB's social protection–related assistance to its developing member countries through financing, knowledge solutions, capacity building, and partnership activities. A priority area under the plan is monitoring and reporting on social protection programs and trends in Asia and the Pacific. A major activity in this area is regular updating of the Social Protection Indicator (SPI).

Quality data on national social protection systems can help policy makers formulate improvements to such systems. The 2016 SPI report builds on a decade of collaboration with partners to strengthen social protection—the International Labour Organization and the Organisation for Economic Co-operation and Development. This report uses data that were collected, collated, and analyzed in 2012 by researchers in more than 30 countries in Asia and the Pacific. This report concentrates on Asia, while a companion publication features SPI results for Pacific island countries.

The SPI is a unique tool, providing social protection statistics and measurement not available anywhere else. We have produced this report not only for use by government officials, but also by researchers, civil society, the media, and international organizations interested in the evolution of social protection

systems in Asia. We hope that the content will contribute to the shaping of improved statistical capacity, enhanced monitoring, and more informed policy deliberations on how to reduce poverty, vulnerability, and marginalization with better social protection.

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Acknowledgments

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Executive Summary

This 2016 report follows in the footsteps of the 2013 Asian Development Bank (ADB) report, *The Social Protection Index: Assessing Results for Asia and the Pacific*. While this report starts by analyzing the general results for a sample of 38 countries in Asia and the Pacific, it thereafter concentrates on the 25 countries in Asia. A companion publication covers 13 countries in the Pacific.

The Social Protection Indicator (SPI) is an indicator for assessing social protection effectiveness within and across countries. The SPI is a simple ratio and is based first on dividing total expenditures on social protection by the total potential beneficiaries of social protection. Then this ratio is compared with gross domestic product (GDP) per capita. The SPI is disaggregated into the corresponding SPIs for the three major categories of social protection programs: social insurance, social assistance, and labor market programs. Each of these program categories has subprograms as well.

The SPI is a useful tool for the assessment and monitoring of social protection. First, the SPI provides a combined benchmark for social protection magnitude (how much is spent) and inclusiveness (how many potential beneficiaries are reached). Second, the SPI allows for the assessment of social protection as a system by looking at social protection programs as a whole, rather than focusing on distinct programs. Third, the SPI can also be used to assess the depth and breadth of each social protection program and subprogram, and their distributional impacts on the poor and the nonpoor, and on women and men. One of the interesting innovations in this report is that it is able to compare progress in social protection programs in 14 countries between 2004–2005 and 2012.

The SPI has been changed slightly since the 2013 publication, including a change in name from “Index” to “Indicator.” But even in 2013, it was already, properly speaking, a single indicator and not a composite index.

The SPI has also been simplified: social protection expenditure per potential beneficiary is now compared with GDP per capita instead of with one-quarter of GDP per capita. This change simplifies the indicator, making it more easily understood without changing its basic character.

Also, expenditures on disaster relief are now treated separately from the SPI since estimates of the number of people affected by disasters have traditionally not been reliable.

Similar to the 2013 report, the 2016 report finds that there is an overall positive relationship between the SPI and GDP per capita, but not a strong correlation. For example, transition economies tend to perform better on the SPI than their GDP per capita would suggest.[1]

Regional differences also play a role. For example, Southeast Asia and the Pacific have lower SPIs than their respective levels of GDP per capita would suggest.

Expenditures and Beneficiaries

Social insurance continues to dominate social protection expenditures in Asia. While the SPI as a whole for the 25 countries in the Asian sample is equivalent to 3.7% of GDP per capita, the SPI for social insurance is equivalent to 2.7%, or almost three-quarters of the total (Social assistance accounts for only 0.9% of GDP per capita, while labor market programs account for the remaining 0.1%). Within social insurance, pensions dominate, accounting for 44% of all expenditures on social protection.

Social assistance accounts for slightly more than one-quarter of all social protection expenditures (30%). Within social assistance, social transfers account for almost half of this share, or 14% of all social protection expenditures. Child welfare programs account for another 8%. Active labor market programs account for only 3% of all expenditures on social protection.

An analysis of the actual beneficiaries of social protection presents a different finding than the one for expenditures. A prime example is pensions, which are dominant in terms of expenditures and cover only 12% of all actual beneficiaries of social protection. In contrast, health insurance covers 29% but whose expenditures are only 14% of the total social protection expenditures.

[1] Transition economies are defined by the World Bank as those moving from centrally planned to market-oriented systems. World Bank. Glossary. http://www.worldbank.org/depweb/english/modules/glossary.html#t

Within social assistance, social transfers and child welfare programs account for 17% and 18% of actual social protection beneficiaries, respectively. Health assistance is also noteworthy, comprising 10% of the total actual beneficiaries.

Active labor market programs reach only 4% of actual social protection beneficiaries. Of this share, cash- or food-for-work programs account for about 3 percentage points.

These patterns reflect the uneven development of the three major types of social protection programs in Asia. Existing social insurance schemes in the region mostly support employees in the formal sector, yet the majority of the population in most Asian developing countries is not covered by social insurance, which provides protection against sickness, unemployment, disability, and old age. Instead, social assistance is the main instrument that supports poor and vulnerable people in most middle- and low-income countries of Asia.

Breadth and Depth

This report also analyzes the breadth and depth of coverage of social protection. Breadth represents the ratio of actual beneficiaries to potential beneficiaries of social protection programs. Depth is based on the average expenditure per actual beneficiary.

Very few countries in Asia have achieved both outstanding depth and breadth of coverage. Japan and Singapore stand out in this regard and have relatively high SPIs as a result.

Depth only can be a misleading indicator of progress on social protection. For example, many of the transition economies of the former Soviet Union—including Armenia, Azerbaijan, and Uzbekistan—perform well in terms of depth of coverage. This is mainly because of large pension programs that provide sizeable benefits to their older populations. These are a legacy of the Soviet system.

Some poorer countries, such as Bangladesh and Bhutan, have also attained significant depth of coverage even though they have fairly low SPIs. This is because their pension programs confer large benefits on a small minority of the old-age population whose employers in the formal sector contributed to their pension schemes.

Countries such as the People's Republic of China (PRC), the Philippines, and Viet Nam have been particularly successful in expanding the breadth of social insurance coverage, primarily through expanded health insurance.

The Poverty and Gender Dimensions of the Social Protection Indicator

This report compares disparities in access to social protection between the poor and nonpoor, and between women and men. However, the results should be treated with caution since the data are less reliable than for other aspects of social protection.

The nonpoor have much greater access to social protection. The SPI for the nonpoor in the 25 countries in the Asian sample is equivalent to 2.8% of GDP per capita, while the SPI for the poor is equivalent to only 0.9% of GDP per capita. Most of the advantage for the nonpoor derives from social insurance, which is often tied to employment in the formal sector. Therefore, its beneficiaries are generally not considered poor. In contrast, the distributional impacts of social assistance appear to be more evenly distributed.

The SPI results also show that men in Asia have significantly greater access to social protection than women. The SPI for men is equivalent to 2.1% of GDP per capita, while that for women is 1.6% of GDP per capita. This gap of 0.5 percentage points is accounted for almost entirely by men's greater access to social insurance. Women appear to do almost as well as men on social assistance.

Regional differences within Asia are also significant. Disparities between the poor and nonpoor are the lowest in Central and West Asia and the highest in South Asia. Disparities between women and men are slightly lower than average in East Asia and are the highest in South Asia.

Progress over Time

For the first time, the 2016 SPI report assesses progress on social protection over time by tracking spending for 14 countries between 2004–2005 and 2012. Progress is considered to have been achieved more when there is an increase in expenditure per potential beneficiary that exceeds the corresponding increase in GDP per capita over the same period.

As a group, these countries were able to make appreciable progress over this period. But six of them made substantial progress: the PRC, Mongolia, and Viet Nam (all three of which are transition economies); and Cambodia, Nepal, and the Philippines (the first two being low-income countries).

Countries such as Bangladesh, Indonesia, the Republic of Korea, Malaysia, and Uzbekistan made progress in social protection that was commensurate with their respective increases in GDP per capita. As a result, their SPIs each remained roughly the same between 2004–2005 and 2012.

Advances in social protection in India and Pakistan were slightly less than gains in their respective GDP per capita over the review period, while there was a discernible decline in the SPI for Sri Lanka.

Poorer countries, such as Cambodia and Nepal, made significant progress primarily through cash or in-kind transfers, which are forms of social assistance. Two transition economies, the PRC and Viet Nam, made advances primarily in expanding social insurance; the PRC expanded both health insurance and pensions, and Viet Nam expanded health insurance.

The Philippines has also made significant progress on expanding access to its medical health insurance program (PhilHealth). Mongolia was unusual in achieving advances on both social insurance and social assistance, the latter through its universal Human Development Fund.

Policy Implications

Effective and inclusive contributory systems are crucial for building comprehensive social protection for addressing vulnerabilities at all stages of the life cycle. The SPI report highlighted the limited access of low-income earners to social insurance, especially pensions. This is partly because most poor and vulnerable people are employed in the informal economy, and generally cannot participate in contributory public pension programs. This exclusion poses challenges to developing effective contributory systems.

1 Objectives and Methodology

This Asian Development Bank (ADB) report analyzes the results for the Social Protection Indicator (SPI) for 2012. It draws on a similar ADB report published in 2013, which analyzed the SPI results for 2009.

What is the Social Protection Indicator?

The SPI is an indicator for assessing social protection effectiveness within and across countries. The SPI is a simple ratio. It is based first on dividing total expenditures on social protection by the total potential beneficiaries of social protection. This ratio is then compared with gross domestic product (GDP) per capita.

The SPI is a relative indicator. The ratio of total social protection expenditures to total potential beneficiaries is the numerator of the SPI. The denominator of the SPI is GDP per capita. Thus, if the increase in social protection expenditures on potential beneficiaries does not keep pace with the increase in GDP capita, the SPI will fall. The reverse would be true if social protection expenditures on potential beneficiaries increased faster than GDP per capita.

Hence, the SPI rises or falls compared with a country's level of GDP per capita, which is why this report presents a country's SPI as being equivalent to a percentage of GDP per capita. For example, Japan's SPI, which is the highest in Asia and the Pacific, is presented as 11.7% of GDP per capita.

The SPI can be disaggregated into corresponding SPIs for the three major social protection programs: social insurance, social assistance, and labor market

programs. The three SPI programs and their corresponding subprograms are defined as follows:

- **Social insurance** uses contributory schemes to help people respond to common risks such as illness, old age, and unemployment. Its major subprograms are health insurance and pensions. This report categorizes passive labor market programs, such as unemployment insurance and severance payments, as part of social insurance.
- **Social assistance** provides unrequited transfers to groups, such as the poor, who either do not qualify for insurance or receive inadequate benefits. The major subprograms of social assistance are cash or in-kind transfers, child welfare, assistance to the older people, health assistance, and disability benefits.
- **Labor market programs** actively help people to secure employment. Major subprograms include labor market programs such as skills development and training programs, and special work programs such as cash- or food-for-work programs.

The SPI is designed to help governments monitor their progress on social protection, as well as to facilitate cross-country comparisons. It is a compact, simple indicator that can help evaluate success in expending coverage to intended beneficiaries and in providing them with adequate benefits. These two aspects are called the "breadth" and "depth" of coverage, respectively.

The SPI can also be used to assess the distributional impacts on the poor and the nonpoor, and on women and men. This allows for deeper analysis of the SPI results, including the extent to which social protection supports different groups within the overall population.

One of the interesting analysis in this report is that it is able to compare progress in social protection programs within and across 14 countries by tracking available social protection spending for both between 2004–2005 and 2012.

The analysis in this report uses a number of indicators to assess the social protection systems in 38 countries in Asia and the Pacific. In Chapter 2, the report presents the SPI values for all 38 countries and discusses how the SPI relates to each country's GDP per capita. Thereafter, the report concentrates on the 25 countries in Asia, while a companion publication—*The Social Protection Indicator: Assessing Results for the Pacific*—covers 13 countries in the Pacific region.

The study also provides two additional measures—depth and breadth. As mentioned above, these indicators assess the value of average benefits of each

actual beneficiary (depth), and the proportion of potential beneficiaries that actually receive benefits (breadth).

Finally, the study examines the distributional impacts of social protection. In particular, it examines to what extent social protection programs support different groups within the overall population: the poor and nonpoor, and men and women.

The analysis of social protection is extended to different country income levels and regional groupings. Income levels include the following categories: high-income, upper-middle-income, lower-middle-income, and low-income countries.[1] The regional groupings are as follows: Central and West Asia, East Asia, South Asia, and Southeast Asia.

An important distinction must be made between transition economies, which are moving from centrally planned to market-oriented systems, and other countries in Asia. The transition economies covered in this report include countries of the former Soviet Union—Armenia, Azerbaijan, Georgia, the Kyrgyz Republic, Tajikistan, and Uzbekistan—as well as the People's Republic of China (PRC), Mongolia, and Viet Nam.

Most former Soviet republics inherited the institutional legacy of a socialist welfare state. Thus, while the welfare systems in these countries have undergone massive changes since independence, they have retained some degree of commitment to previous social policies. Social protection is also a significant part of the policy agenda in the PRC, Mongolia, and Viet Nam, all of which exhibit relatively high levels of social expenditure.

Methodology and Differences between the 2016 and 2013 Social Protection Indicator Reports

The information required for the SPI analysis falls into two general categories: (i) basic statistics and indicators, and (ii) data on expenditures and number of beneficiaries of social protection programs.[2] Data for the basic statistics were

[1] Based on World Bank. New Country Classifications. http://data.worldbank.org/news/new-country-classifications-2015

[2] Social protection programs refer to national or central government programs, not e.g., private annuities, local government cash-for-work programs, state social assistance schemes, etc.

only collected for the reference year. For this analysis, data on social protection programs were collected for 2012. The following data sources were used: government statistics and reports, reports of multilateral development banks and bilateral agencies, discussions and interviews with agencies responsible for social protection programs, and household surveys.

Appendix 1 contains a detailed explanation of the methodology used for constructing the SPI. Also available for more detail on methodology is the 2012 ADB publication, *The Revised Social Protection Index: Methodology and Handbook*.

The Change in the Denominator

Unlike the 2013 report, the denominator for the SPI is now simply GDP per capita, rather than one-quarter of GDP per capita. This earlier denominator represented the average national poverty line across the 35 countries in the 2009 data sample. Thus, social protection expenditures were compared with poverty-level income (based on a regional average), rather than average GDP per capita. This denominator created some confusion among readers of the 2013 report.

This 2016 report uses GDP per capita as the basis of comparison for social protection expenditure per potential beneficiary. Hence, the SPI results can be more easily understood as they can simply be expressed in percentage terms (e.g., equivalent to 5% of GDP per capita).

The change in the denominator for the SPI does not alter its basic character. It is still a relative indicator; the magnitude of social protection expenditures in each country is judged relative to the average GDP per capita of that country.

Indicator versus Index

Another difference is that this report uses the term "Social Protection Indicator" instead of "Social Protection Index." When the methodology for calculating the SPI was changed for the 2013 report, the SPI had already, in fact, been converted into an indicator from an index. That is, the SPI was no longer constructed on the basis of indexing (e.g., from 0 to 100) different independent component variables and adding them together (with equal weight), much as the Human Development Index is constructed. Instead, the SPI in the 2013 report was one simple ratio comparing the numerator of social protection expenditures as a ratio to potential beneficiaries with the denominator of GDP per capita.

Nevertheless, to minimize confusion, we chose to continue with the designation that was used in the 2006 and 2008 publications of *Social Protection Index for Committed Poverty Reduction*.

Disaster Relief

A substantive change that has affected the calculation of the SPI for this publication is that disaster relief has been dropped from the computation. Previously, disaster relief had been included as part of social assistance. This inclusion implied incorporating all expenditures on disaster relief, all actual beneficiaries, and an estimate of all potential beneficiaries.

The chief reason for excluding disaster relief from this report is that, for both the 2009 and 2012 exercises, the researchers gathering data at the country level had great difficulty in obtaining credible information on the potential beneficiaries of disaster relief and whether the people adversely affected by disaster and in need of relief received any benefits.

Chapter 3 of this report discusses the available 2012 data on actual expenditures for disaster relief and the actual beneficiaries of such expenditures. However, without reliable estimates of the potential beneficiaries, constructing a reliable measure of the SPI that includes disaster relief was no longer considered feasible.

Employed and Underemployed

This report gives more attention to deriving consistent estimates of the potential beneficiaries of active labor market programs. In conducting research for earlier reports, researchers working at the country level had difficulty in clearly defining and identifying the unemployed and underemployed, who together comprise the potential beneficiaries of active labor market programs.

Though statistics on the unemployed at the country level are often available, the underemployed are not easily identified—partly because they are not easily defined. For example, one needs to determine whether workers are underemployed because they lack adequate hours of work or because they lack adequate compensation for their work.

To help clarify the basis for underemployment and derive more consistent estimates across countries of the number of workers in such conditions, the estimates reported in the national reports prepared by the SPI researchers were

compared with the estimates of the "working poor" provided independently by the International Labour Organization.[3]

Attempts were then made, where necessary, to reconcile these two estimates. As a result, the reported size of the unemployed and underemployed derived for each country should be more credible and the associated results should be more consistent across countries in this report.

This chapter has presented the current composition of the SPI and a summary of its applicability in assessing social protection effectiveness within and across countries in Asia and the Pacific. Chapter 2 will provide a general summation of results for our analysis of 2012 SPI data for all 38 countries in Asia and the Pacific. Ensuing chapters will examine the SPI outcomes more thoroughly, while focusing on the 25 countries comprising Asia.

In Chapter 3, the overall SPI will be disaggregated into the corresponding SPIs for social insurance, social assistance, and labor market programs. Specific subprograms will be examined within each of these major categories—such as pensions and health insurance within social insurance. Chapter 4 will examine the depth and breadth of coverage of social protection. Chapter 5 will discuss important poverty and gender dimensions of social protection, including disparities in benefits between the poor and nonpoor, and between women and men. Chapter 6 will present progress in social protection within and across 14 countries between 2004-2005 and 2012. Chapter 7 concludes with a summary of results and the related policy implications.

[3] International Labour Organization. Definitions. https://www.ilo.org/ilostat/faces/home/statisticaldata/conceptsdefinitions?_afrLoop=161594964998628#%40%3F_afrLoop%3D161594964998628%26_adf.ctrl-state%3Dw5mxo9nv3_4

Overall Social Protection Indicator Results—Asia and the Pacific

2

This ADB report analyzes SPI results for 2012. It builds on a similar ADB report, published in 2013, which analyzed SPI results for 2009. The form of the SPI is basically the same for both 2009 and 2012, with some minor changes in its calculation having been undertaken for this report.

This chapter presents the overall SPI results for 38 countries in Asia and the Pacific. For presentation purposes, countries are ordered by the magnitude of their SPI. This ordering is compared with each country's GDP per capita and its social protection expenditures as a ratio of GDP.

In subsequent chapters, the report focuses on the 25 countries in the sample that comprises Asia. A companion publication, *The Social Protection Indicator: Assessing Results for the Pacific*, focuses on the SPI results for 13 countries in the Pacific.

Overall Results

Table 2.1 presents the SPI values for 38 countries in Asia and the Pacific. As indicated earlier, the SPI is a relatively simple indicator based on dividing total expenditures on social protection by the total potential beneficiaries of social protection. This ratio is then compared with GDP per capita (see Appendix 1 for more detail on computations). For example, when the Republic of Korea's ratio of expenditures to potential beneficiaries is examined, it is equivalent to 5.1% of GDP per capita. Similarly, Singapore's ratio is equivalent to 6.3% of GDP per capita and Uzbekistan's to 9.3%. All computations are conducted in domestic currencies.

Table 2.2 shows that the higher-income countries in Asia and the Pacific—such as Japan, the Republic of Korea, and Singapore—tend to have higher SPIs. But this is not always the case. For example, even though the GDP per

Table 2.1: Social Protection Indicator, GDP per Capita, and Share of Social Protection Expenditures in GDP—Asia and the Pacific, 2012

Country	SPI (%)	GDP per Capita ($)	Share of Social Protection Expenditures to GDP (%)
Japan	11.7	46,549	22.1
Uzbekistan	9.3	1,710	9.9
Singapore	6.3	52,052	4.7
Azerbaijan	6.2	7,500	6.4
Kyrgyz Republic	5.7	1,234	11.6
Korea, Rep. of	5.1	24,454	7.5
Armenia	4.9	3,293	6.5
Georgia	4.9	3,523	6.4
Mongolia	4.8	3,617	13.2
Micronesia, Fed. States of	4.8	3,142	5.8
China, People's Rep. of	4.3	6,093	6.5
Maldives	4.2	5,032	5.2
Malaysia	4.2	10,324	3.8
Viet Nam	4.0	1,755	5.0
Marshall Islands	3.7	3,284	4.0
Palau	2.9	13,345	5.2
Thailand	2.9	5,913	4.4
Cook Islands	2.8	17,366	3.6
Sri Lanka	2.7	2,930	2.6
Philippines	2.2	2,613	2.6
Nepal	1.7	664	2.2
Pakistan	1.4	1,150	1.4
Solomon Islands	1.3	1,505	1.5
India	1.3	1,555	1.6
Fiji	1.3	3,668	1.4
Samoa	1.2	3,628	1.3
Cambodia	1.2	971	1.2
Indonesia	1.2	3,552	1.2
Kiribati	1.1	1,680	1.3
Bangladesh	1.1	740	1.3
Bhutan	0.8	2,532	0.9
Nauru	0.8	11,948	0.8
Tonga	0.8	4,500	0.8
Vanuatu	0.7	3,022	0.9
Tajikistan	0.7	956	0.8
Timor-Leste	2.8	1,156	3.6
Lao People's Democratic Republic	0.6	1,394	0.7
Papua New Guinea	0.1	2,152	0.1
Overall Average	**3.1**	**6,908**	**4.2**

GDP = gross domestic product, SPI = Social Protection Indicator.

Note: All averages are unweighted.

Source: ADB estimates based on 2015 SPI country reports.

capita of some transition economies like Armenia, Georgia, and Mongolia is below $4,000, they each have an SPI that is equivalent to nearly 5% of GDP per capita. In other words, their social protection expenditures tend to be relatively high compared with the number of potential beneficiaries of social protection.

Mongolia's GDP per capita in 2012 was only about $3,600, but its SPI was equivalent to 4.8% of GDP per capita. Often, such result could be attributable, in part, to large expenditures on social protection. Indeed, Mongolia spent the equivalent of about 13% of GDP on social protection programs in 2012. However, the SPI differs from an indicator of expenditures as a ratio to GDP, which is presented in the third column of Table 2.1, by incorporating a measure of efficiency.

The SPI takes into account the level of expenditures, and compares expenditures with the number of potential beneficiaries of social protection—whether, for example, such beneficiaries are the poor, children, the older people, or the unemployed. In other words, the SPI gauges a country's efficiency in spending on social protection by documenting the number of potential beneficiaries reached and their average benefits.

Although Table 2.1 ranks the 38 countries in Asia and the Pacific according to their SPI, this indicator is not designed for ranking purposes, partly because potential beneficiaries are used in judging the effectiveness of expenditures. For example, countries might differ to some extent in how they define some of their potential beneficiaries. A good example is the poor, who are identified by nationally determined poverty lines. More importantly, the denominator of the SPI is GDP per capita. In other words, each country's performance is being judged in relation to its own level of GDP per capita, not in accordance with an absolute standard.

Social Protection Indicator and GDP per Capita

Table 2.2 examines the broad relationship between the SPI and GDP per capita by grouping the 38 countries in Asia and the Pacific into four categories based on GDP per capita: high-income countries, upper-middle-income countries, lower-middle-income countries, and low-income countries.

In Table 2.2, and elsewhere in this report, group averages are unweighted. This methodological choice, which signifies that the SPI for each country is treated

Table 2.2: Social Protection Indicator and GDP per Capita by Income Group—Asia and the Pacific, 2012

Country	SPI (%)	GDP per Capita ($)
High Income	**7.7**	**41,018**
Japan	11.7	46,549
Singapore	6.3	52,052
Korea, Rep. of	5.1	24,454
Upper-Middle Income	**3.1**	**8,089**
Azerbaijan	6.2	7,500
China, People's Rep. of	4.3	6,093
Maldives	4.2	5,032
Malaysia	4.2	10,324
Marshall Islands	3.7	3,284
Palau	2.9	13,345
Thailand	2.9	5,913
Cook Islands	2.8	17,366
Fiji	1.3	3,668
Nauru	0.8	11,948
Tonga	0.8	4,500
Lower-Middle Income	**2.8**	**2,357**
Uzbekistan	9.3	1,710
Kyrgyz Republic	5.7	1,234
Armenia	4.9	3,293
Georgia	4.9	3,523
Mongolia	4.8	3,617
Micronesia, Fed. States of	4.8	3,142
Viet Nam	4.0	1,755
Timor-Leste	2.8	1,156
Sri Lanka	2.7	2,930
Philippines	2.2	2,613
Pakistan	1.4	1,150
Solomon Islands	1.3	1,505
India	1.3	1,555
Samoa	1.2	3,628
Indonesia	1.2	3,552
Kiribati	1.1	1,680
Bhutan	0.8	2,532
Vanuatu	0.7	3,022
Lao People's Democratic Republic	0.6	1,394
Papua New Guinea	0.1	2,152
Low Income	**1.1**	**833**
Nepal	1.7	664
Cambodia	1.2	971
Bangladesh	1.1	740
Tajikistan	0.7	956
Overall Average	**3.1**	**6,908**

GDP = gross domestic product, SPI = Social Protection Indicator.

Note: All averages are unweighted.

Source: ADB estimates based on 2015 SPI country reports.

as equal in weight to that of any other country, helps to avoid giving undue weight to countries with higher levels of GDP per capita.

At the aggregate level, a positive relationship between GDP per capita and the SPI tends to hold. For example, the average SPI for the small number of high-income countries in Asia and the Pacific is 7.7%, while the average SPI for the upper-middle-income countries is significantly lower at 3.1%. The average SPI for the lower-middle-income countries is lower still at 2.8%, while that for low-income countries is a mere 1.1%.

However, the sample sizes of countries at the two extremes, high-income and low-income, are quite small: three and four, respectively. And there is not a striking difference between the SPI for upper-middle-income countries and that for lower-middle-income countries. Thus, these results are not particularly persuasive.

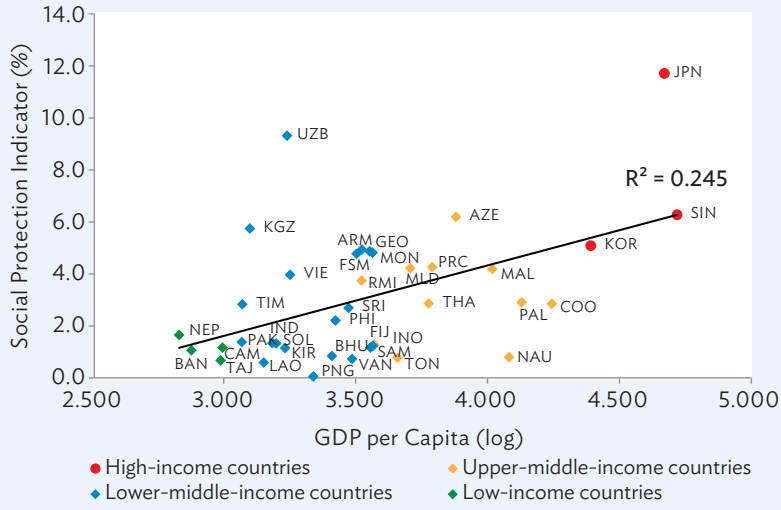
Regressing the Social Protection Indicator on GDP per Capita

To help clarify this issue, Figure 2.1 plots the SPIs of all 38 countries against their corresponding GDP per capita. The SPI is on the vertical axis and GDP per capita is on the horizontal axis. Figure 2.1 also reports the results of regressing SPI on GDP per capita, including depicting the regression line. In addition, the four different income groups of countries are each depicted in different colors.

There is an overall positive relationship between GDP per capita and the SPI, but not a strong correlation. This is interesting—especially since GDP per capita is the denominator of the SPI. This result would signify that, in general, as a country's GDP per capita increases, its social protection expenditure per potential beneficiary also increases. Figure 2.1 also suggests that there is a wide dispersion of country results. For example, Japan and Uzbekistan are plotted far above the regression line, while countries such as Papua New Guinea and Vanuatu are plotted far below it.

In response to probable criticism that these results cannot be considered technically reliable since GDP per capita is the denominator of the SPI itself, we also regressed expenditure per potential beneficiary (the numerator of the SPI) on GDP per capita (the denominator of the SPI). But the relationship between these two variables was found to be even less significant, with an even wider spread of countries above and below the regression line.

Figure 2.1: Social Protection Indicator and GDP per Capita, 2012



ARM= Armenia, AZE= Azerbaijan, BAN = Bangladesh, BHU = Bhutan, CAM = Cambodia, PRC = People's Republic of China, COO = Cook Islands, FIJ = Fiji, GDP = gross domestic product, GEO= Georgia, IND = India, INO = Indonesia, JPN = Japan, KIR = Kiribati, KOR = Republic of Korea, KGZ = Kyrgyz Republic, LAO = Lao People's Democratic Republic, MAL = Malaysia, MLD = Maldives, RMI = Marshall Islands, FSM = Federated States of Micronesia, MON = Mongolia, NAU = Nauru, NEP = Nepal, PAK = Pakistan, PAL = Palau, PNG = Papua New Guinea, PHI = Philippines, SAM = Samoa, SIN = Singapore, SOL = Solomon Islands, SRI = Sri Lanka, TAJ = Tajikistan, THA = Thailand, TIM = Timor-Leste, TON = Tonga, UZB = Uzbekistan, VAN = Vanuatu, VIE = Viet Nam.

Source: ADB estimates based on 2015 SPI country reports.

Among other things, these results show that countries with lower levels of GDP per capita can still advance social protection by increasing coverage and size of benefits than would be expected on the basis of their average GDP per capita. Important considerations include the government's political commitment, as well as the effectiveness of social protection policies.

Social Protection Indicator by Region

Table 2.3 provides a different perspective on the SPI results by disaggregating them by region for the 38 countries in Asia and the Pacific. It shows that many of the transition economies in Central and West Asia have fairly high SPIs. This

Table 2.3: Social Protection Indicator and GDP per Capita by Region—Asia and the Pacific, 2012

Country	SPI (%)	GDP per Capita ($)
Central and West Asia	**5.3**	**3,036**
Armenia	4.9	3,293
Azerbaijan	6.2	7,500
Georgia	4.9	3,523
Kyrgyz Republic	5.7	1,234
Tajikistan	0.7	956
Uzbekistan	9.3	1,710
East Asia	**6.5**	**20,178**
China, People's Rep. of	4.3	6,093
Japan	11.7	46,549
Korea, Rep. of	5.1	24,454
Mongolia	4.8	3,617
South Asia	**1.9**	**2,086**
Bangladesh	1.1	740
Bhutan	0.8	2,532
India	1.3	1,555
Maldives	4.2	5,032
Nepal	1.7	664
Pakistan	1.4	1,150
Sri Lanka	2.7	2,930
Southeast Asia	**2.8**	**9,822**
Cambodia	1.2	971
Indonesia	1.2	3,552
Lao People's Democratic Republic	0.6	1,394
Malaysia	4.2	10,324
Philippines	2.2	2,613
Singapore	6.3	52,052
Thailand	2.9	5,913
Viet Nam	4.0	1,755
Pacific	**1.9**	**5,415**
Cook Islands	2.8	17,366
Fiji	1.3	3,668
Kiribati	1.1	1,680
Marshall Islands	3.7	3,284
Micronesia, Fed. States of	4.8	3,142
Nauru	0.8	11,948
Palau	2.9	13,345
Papua New Guinea	0.1	2,152
Samoa	1.2	3,628
Solomon Islands	1.3	1,505
Timor-Leste	2.8	1,156
Tonga	0.8	4,500
Vanuatu	0.7	3,022
Overall Average	**3.1**	**6,908**

GDP = gross domestic product, SPI = Social Protection Indicator.

Notes: Overall averages are unweighted. The regional country classifications follow ADB's *Asian Development Outlook*, which is available at http://www.adb.org/publications/asian-development-outlook-2015-update-enabling-women-energizing-asia

Source: ADB estimates based on 2015 SPI country reports.

is especially true of Uzbekistan (9.3%) and Azerbaijan (6.2%). Ensuing chapters will attempt to explain more clearly why this is the case.

In contrast, many of the countries in the Pacific have fairly low SPIs of 1% or below. But there are exceptions, such as the Federated States of Micronesia (4.8%) and the Marshall Islands (3.5%). The companion publication to this report, *The Social Protection Indicator: Assessing Results for the Pacific*, will delve into these outcomes for the Pacific in more detail.

The average SPI for the small sample of only four countries in East Asia (6.5%) is easily the highest among the five regions. However, East Asia comprises two high-income countries, Japan and the Republic of Korea; and one upper-middle-income transition economy, the PRC. The average GDP per capita of these four East Asian countries is $20,178, more than twice as high as the average GDP per capita ($9,822) of the second-richest region, Southeast Asia.

The eight countries of Southeast Asia included in the sample have a fairly low average SPI (2.8%) even though their average GDP per capita is relatively high. This region does contain one high-income country, Singapore; and two upper-middle-income countries, Malaysia and Thailand. But it also contains one low-income country, Cambodia; and four lower-middle-income countries, Indonesia, the Lao People's Democratic Republic, the Philippines, and Viet Nam. Hence, it is a fairly diverse region economically.

In contrast, the average SPI for Central and West Asia (5.3%) is almost twice as high as that for Southeast Asia, even with the inclusion of the SPI of only 0.7% of its one low-income country, Tajikistan. Within the region, only Azerbaijan is an upper-middle-income country, while the remaining four (Armenia, Georgia, the Kyrgyz Republic, and Uzbekistan) are lower-middle-income countries. The average GDP per capita of all six countries is only $3,036. The relatively higher average SPI for Central and West Asia is due to all six countries being transition economies, most of which have fairly well-developed social insurance systems, especially for pensions. In each of the six countries, expenditures on pensions are the highest among all social insurance programs.

The average GDP per capita in South Asia is only $2,086, or two-thirds of the level of the average GDP per capita in Central and West Asia. South Asia's average SPI (1.9%) is only about one-third of that for Central and West Asia. South Asia is relatively poor; it contains two low-income countries, Bangladesh and Nepal; and four lower-middle-income countries, Bhutan, India, Pakistan, and Sri Lanka. Only the Maldives is an upper-middle-income country.

The average GDP per capita for the 13 Pacific countries is $5,415. By this measure, the region is richer than either Central and West Asia or South Asia. But its GDP per capita varies widely across countries, ranging from $1,156 for Timor-Leste to $17,366 for the Cook Islands.

This region's SPI varies widely as well. The Federated States of Micronesia has the highest SPI (4.8%), while Papua New Guinea has the lowest of all 38 countries in the entire Asia and Pacific region sample (0.1%). The region's average SPI is only equivalent to 1.9% of GDP per capita, lower than one would expect on the basis of its average GDP per capita.

Potential Beneficiaries of Programs and Subprograms

Table 2.4 shows the three major social protection programs and each of their major subprograms. More detail on this categorization can be found in the 2012 ADB publication, *The Social Protection Index: Methodology and Handbook*. This publication also features detailed discussion of the technical aspects of the SPI.

Table 2.4: Programs and Subprograms of Social Protection

Social Protection Programs	Subprogram
1. Social Insurance	Pensions Health Insurance Other Social Insurance (passive labor market programs, e.g., unemployment insurance and disability insurance, maternity benefits; and provident funds)
2. Social Assistance	Social Transfers Child Welfare Programs Health Assistance Assistance to Older People Disability Assistance
3. Labor Market Programs (Active)	Cash- or Food-for-Work Programs Skills Development and Training (targeted at the unemployed and underemployed)

Source: ADB. 2012. *The Revised Social Protection Index: Methodology and Handbook*. Manila.

Social insurance includes pensions, health insurance, and a composite of other social insurance programs. The latter includes mainly passive labor market programs and provident funds. The five main subprograms of social assistance are: social transfers, child welfare programs, health assistance, assistance to the older people, and disability assistance.

Active labor market programs include cash- or food-for-work programs, and skills development and training. However, such skills development and training are only targeted at the unemployed or underemployed to be considered a form of social protection. These two groups are identified as the potential beneficiaries of all active labor market programs.

In addition to resolving the issue of identifying the potential beneficiaries of active labor market programs, ADB has made practical decisions on the potential beneficiaries of other programs and subprograms of social protection. For example, when calculating the SPI, the older people (defined as 60 years old or older across all countries) were considered to be the potential beneficiaries of pensions. The retirement age varies across countries in Asia, as well as between men and women in many countries. However, it proved difficult in many countries to develop reliable composite estimates of those retirement age.

For a contributory program such as health insurance, we consider, the employed to be the potential beneficiaries. Though this choice is pragmatic in light of data constraints, it is not entirely satisfactory. On the one hand, the potential beneficiaries of health insurance should be, in principle, the entire population. On the other hand, for most countries, it is usually the smaller group of the formally employed (not even all of the employed) who can effectively benefit from contributory schemes. And even for this smaller group of workers, an additional complication, which has an opposite effect, is that their nonworking dependents also usually have access to insurance benefits.

For this report—and in contrast to decisions made for past efforts—we have decided to designate the entire population as potential beneficiaries of health insurance in those few countries where such insurance is effectively universal. Universal health insurance is, in fact, becoming more widespread across Asia and this trend is likely to continue. At some point—on the basis of principle as well as practicality—the entire population of a country should be designated as potential beneficiaries of health insurance, even if a significant number of countries still fall well short of such an achievement.

For social assistance programs, we have included the poor (as nationally defined), children (younger than 15 years old), and persons with disabilities

as the three categories of potential beneficiaries. Hence, social assistance can include both targeted and universal programs. For targeting purposes, we have found that the official definitions of the poor and persons with disabilities differ quite substantially across countries. Hence, we have spent a great deal of time verifying such definitions and adjusting the size of the potential beneficiaries, to a limited degree, when the working definitions appeared implausible. This problem appears to be more prevalent for definitions of disability than for definitions of poverty.

In addition, one person could benefit from various social protection programs. For example, with regard to social insurance, an older person receiving a pension could still benefit from health insurance, or a child benefiting from a child welfare program (e.g., free lunches at school) could also benefit from a cash transfer that is part of a poverty program. This suggests that there is potential for double counting both actual and potential beneficiaries across the three major social protection programs, as well as across some of the subprograms within each program.

From a practical viewpoint, this condition does not pose a problem since the SPI exercise is seeking to take full account of the actual coverage of social protection. And this effort should indeed take full account of the various benefits that a particular individual receives, especially if they derive them from different programs.

Taking such an approach could potentially lead to an outcome in which the total number of actual beneficiaries across the three major social protection programs could exceed the total population of a country. This outcome is most likely to be a result of the coverage of social insurance. For instance, when health insurance is effectively universal and therefore covers the entire older population (who can receive pensions), the number of actual beneficiaries of social protection could exceed the total population.

But a more common result is that the total number of potential beneficiaries across social protection programs exceeds the total population. This result is certainly not surprising. These common dynamics suggest that an evaluative approach to social protection, which is the approach of the SPI exercise, should focus on the total number of potential beneficiaries of social protection and not merely on the total population of a country.

This chapter presented an overview of the SPI results for 38 countries in Asia and the Pacific. Not surprisingly, the region's richest countries—Japan, the Republic of Korea, and Singapore—were among those with the highest SPIs. Several of the transition economies of the former Soviet Union—Azerbaijan,

the Kyrgyz Republic, and Uzbekistan—had higher SPIs than might have been expected based upon their GDP per capita. This is likely because of the institutional legacy of inheriting a socialist welfare state.

The three social protection programs (social insurance, social assistance, and labor market programs) and their respective subprograms were also categorized in this chapter in preparation for the presentation and analysis of disaggregated data in the next chapter. In Chapter 3 and all subsequent chapters, this report will analyze data results for the 25 Asian countries in the sample. As indicated earlier, an accompanying regional report will focus on the results for 13 countries in the Pacific.

3

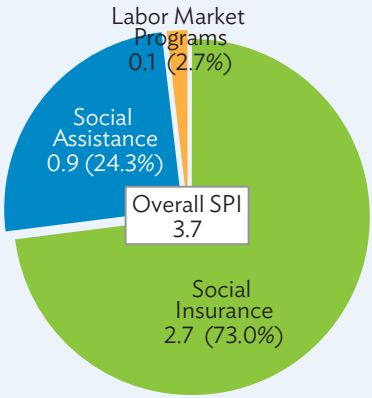
Major Categories of Social Protection Programs

This chapter, including all figures and tables contained therein, examines the three major social protection programs in 25 Asian countries for which the SPI exercise has gathered data.

Figure 3.1 shows that social insurance is the dominant program. While the overall average SPI is equivalent to 3.7% of GDP per capita, social insurance alone accounts for 2.7% of GDP per capita. As a proportion, this represents about 73% of the overall SPI.

Social assistance is the second largest program, with an SPI that is 0.9% of GDP per capita. This represents about 24% of the overall SPI, or about one-third of that of social insurance.

Figure 3.1: Social Protection Indicator by Program, 2012



SPI = social protection indicator.
Source: ADB estimates based on 2015 SPI country reports.

Labor market programs are the smallest social protection program, with an SPI that is only 0.1% of GDP per capita. As a proportion of the overall SPI, labor market programs account for about 3%. Such a result suggests that if labor market programs are necessary and indeed effective, they should be scaled up.

The SPIs of the three major social protection programs sum to the overall SPI because each of their SPIs is weighted by the ratio of its potential beneficiaries to all potential beneficiaries of social protection.

Social Protection Indicator by Income Group

Table 3.1 disaggregates these program results by four income groups at the country level: high, upper middle, lower middle, and low. It shows that social insurance is dominant among the small sample of high-income countries. While their average overall SPI for 2012 is equivalent to 7.7% of GDP per capita, the SPI for their social insurance programs alone is 6.3%. In other words, social insurance accounts for about 82% of the overall SPI in this income group.

For upper-middle-income countries, social insurance accounts for about 74% of the overall SPI. Their average overall SPI is equivalent to 4.3% of GDP per capita, while their SPI for social insurance alone is 3.2% of GDP per capita.

For lower-middle-income countries, social insurance accounts for about 71% of the overall SPI. Their SPI for social insurance is 2.4%, while their overall SPI is 3.4%. For the small sample of low-income countries, the social insurance SPI accounts for only about 45% of the overall SPI, or 0.5% of GDP per capita out of a total SPI of 1.1% of GDP per capita. These general results show that the higher the GDP per capita of a country group, the higher the expenditures on social insurance are likely to be.

Figure 3.2 shows that the social assistance SPI, when considered as a proportion of the overall SPI, appears to move in the opposite direction of that of social insurance with respect to country income levels. In high-income countries, the absolute value of the SPI for social assistance is 1.2% of GDP per capita. This is indeed higher than the corresponding program SPIs for the other three income groups. But as a proportion of the overall SPI, the social assistance SPI for high-income countries accounts for only about 16% of the total.

In contrast, in upper-middle-income countries and lower-middle-income countries, social assistance accounts for 26% and 29% of the overall SPI,

Table 3.1: Social Protection Indicator by Program and Income Group, 2012 (%)

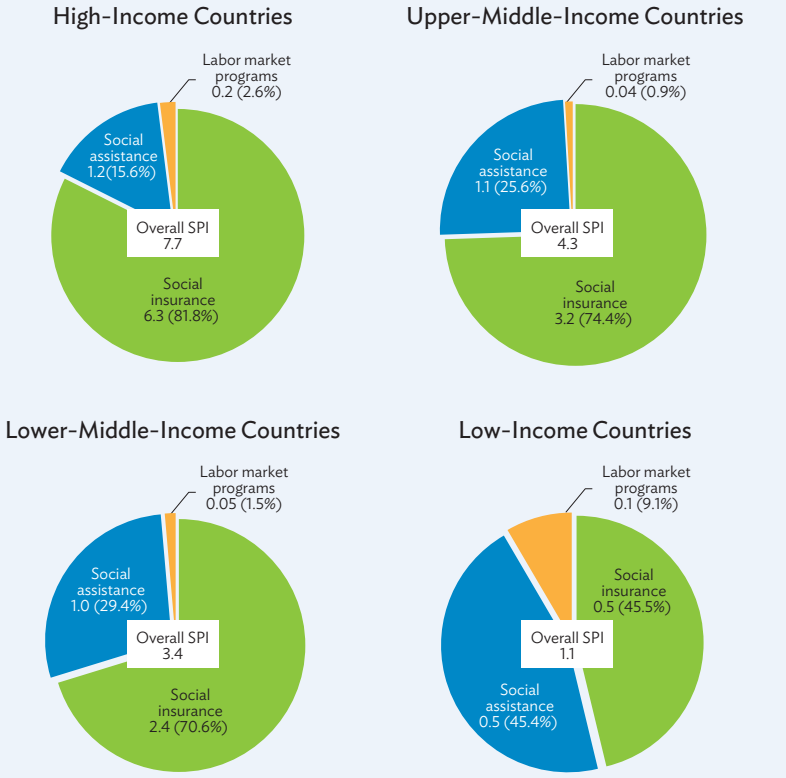
Country	SPI	Social Insurance	Social Assistance	Labor Market Programs
High Income	**7.7**	**6.3**	**1.2**	**0.2**
Japan	11.7	10.6	1.1	0.1
Korea, Rep. of	5.1	4.0	0.9	0.1
Singapore	6.3	4.4	1.6	0.3
Upper-Middle Income	**4.3**	**3.2**	**1.1**	**0.04**
Azerbaijan	6.2	4.3	1.9	0.003
China, People's Rep. of	4.3	3.7	0.5	0.1
Malaysia	4.2	3.7	0.4	0.03
Maldives	4.2	2.6	1.6	...
Thailand	2.9	1.9	0.9	...
Lower-Middle Income	**3.4**	**2.4**	**1.0**	**0.05**
Armenia	4.9	3.4	1.5	0.01
Bhutan	0.8	0.6	0.2	0.02
Georgia	4.9	2.7	2.2	...
India	1.3	0.5	0.6	0.3
Indonesia	1.2	0.4	0.8	0.03
Kyrgyz Republic	5.7	4.5	1.3	0.01
Lao People's Democratic Republic	0.6	0.5	0.1	0.001
Mongolia	4.8	2.3	2.4	0.02
Pakistan	1.4	1.1	0.2	0.02
Philippines	2.2	1.8	0.4	0.01
Sri Lanka	2.7	2.3	0.4	0.02
Uzbekistan	9.3	7.5	1.8	0.001
Viet Nam	4.0	3.3	0.6	0.1
Low Income	**1.1**	**0.5**	**0.5**	**0.1**
Bangladesh	1.1	0.4	0.3	0.3
Cambodia	1.2	0.3	0.8	0.03
Nepal	1.7	0.9	0.7	0.02
Tajikistan	0.7	0.5	0.2	0.02
Overall Average	**3.7**	**2.7**	**0.9**	**0.1**

... = data not available, SPI = Social Protection Indicator.

Note: Overall averages are unweighted.

Source: ADB estimates based on 2015 SPI country reports.

Figure 3.2: Regressing Social Insurance and GDP per Capita

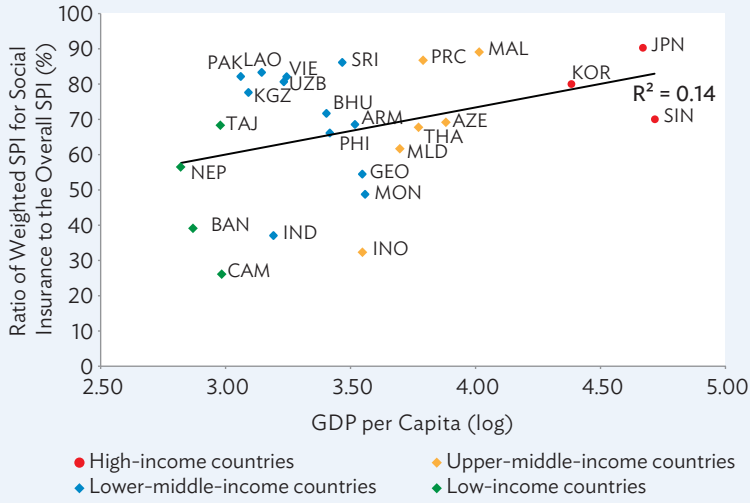


GDP = gross domestic product, SPI = Social Protection Indicator.
Source: ADB estimates based on 2015 SPI country reports.

respectively. And in low-income countries, social assistance accounts for about 45%, or about the same as that for social insurance.

Regression analysis suggests that as a country's GDP per capita increases, the share of social insurance in its social protection indicator tends to increase (Figure 3.3). But this positive relationship is only marginally significant. For example, some transition economies—such as the PRC, Uzbekistan, and Viet Nam—have more developed social insurance schemes than their income level would suggest. Viet Nam has managed to expand health insurance to a large proportion of its population, reflecting

Figure 3.3: Regressing Social Protection Indicator for Social Insurance and GDP per Capita



ARM= Armenia, AZE= Azerbaijan, BAN = Bangladesh, BHU = Bhutan, CAM = Cambodia, PRC = People's Republic of China, GDP = gross domestic product, GEO= Georgia, IND = India, INO = Indonesia, JPN = Japan, KOR = Republic of Korea, KGZ = Kyrgyz Republic, LAO = Lao People's Democratic Republic, MAL = Malaysia, MLD = Maldives, MON = Mongolia, NEP = Nepal, PAK = Pakistan, PHI = Philippines, SIN = Singapore, SPI = Social Protection Indicator, SRI = Sri Lanka, TAJ = Tajikistan, THA = Thailand, UZB = Uzbekistan, VIE = Viet Nam.

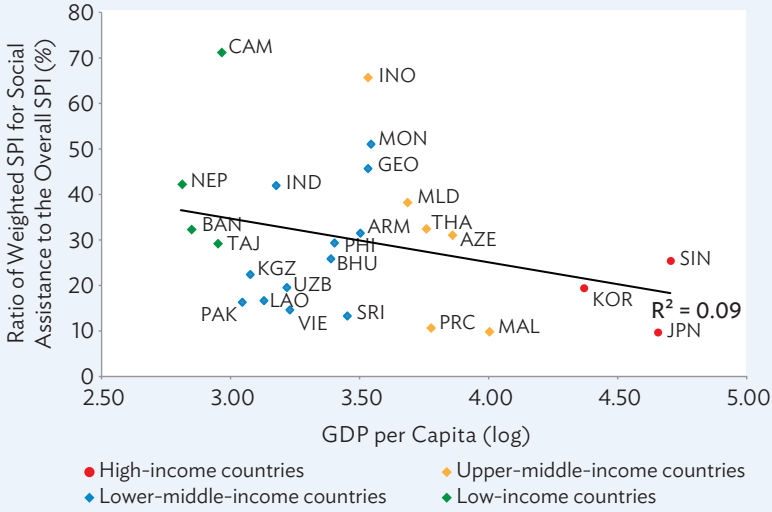
Source: ADB estimates based on 2015 SPI country reports.

the fact that government commitment plays a crucial role in promoting social protection.

Regression analysis also suggests that as a country's GDP per capita increases, the share of social assistance in its total social protection tends to decline (Figure 3.4). However, this relationship is not statistically significant since there is a wide dispersion of country results around the regression line. For instance, Cambodia, Indonesia, and Mongolia have social assistance SPIs that are significantly higher than would be predicted, while those for the PRC, the Maldives, and Sri Lanka are lower.

Lower-middle-income Indonesia has expanded its community health protection scheme (in effect, a form of social assistance) to a very large number of beneficiaries—much larger than the number of its extreme poor. By 2012, Mongolia, which is also a lower-middle-income country, had extended cash

Figure 3.4: Regressing Social Assistance and GDP per Capita



ARM= Armenia, AZE= Azerbaijan, BAN = Bangladesh, BHU = Bhutan, CAM = Cambodia, PRC = People's Republic of China, GDP = gross domestic product, GEO= Georgia, IND = India, INO = Indonesia, JPN = Japan, KOR = Republic of Korea, KGZ = Kyrgyz Republic, LAO = Lao People's Democratic Republic, MAL = Malaysia, MLD = Maldives, MON = Mongolia, NEP = Nepal, PAK = Pakistan, PHI = Philippines, SIN = Singapore, SPI = Social Protection Indicator, SRI = Sri Lanka, TAJ = Tajikistan, THA = Thailand, UZB = Uzbekistan, VIE = Viet Nam.

Source: ADB estimates based on 2015 SPI country reports.

transfers to the entire population through its Human Development Fund.[4] Unlike social insurance programs, however, such broad forms of social assistance can be difficult to sustain financially. There is usually a large degree of subsidization, which can place heavy strains on national budgets.

Unfortunately, it is difficult to discern any kind of significant pattern for labor market programs. Across all income groups, spending on these programs are relatively low. For individual countries, the SPI for such programs is highest in Bangladesh, India, and Singapore, at about 0.3% of GDP per capita in each country.

[4] The main purpose of the Human Development Fund has been to direct the excess revenues from the mining sector toward the economic and human development of the country. Until 2012, the fund provided every citizen of Mongolia a share of the country's mineral wealth (ADB 2015s). As the government began to run large fiscal deficits, it limited the fund's potential beneficiaries to children only.

The relatively high labor market programs SPIs in India and Bangladesh are due to the prominence of cash- or food-for-work programs. The objective of these programs is to increase the availability of jobs for the poor. The most prominent example is India's Mahatma Gandhi National Rural Employment Guarantee Act Public Works Program, which guarantees 100 days of paid minimum wage employment for unskilled manual work to any rural household in India. In Bangladesh, there are 10 active labor market programs. The three largest are the Food for Work Program, Test Relief Program, and Employment Generation Program for the Ultra Poor.

Other forms of active labor market programs, such as skills development and training, have historically played a less significant role in Asia. In many countries, such efforts have been part of development strategies since the 1997/1998 Asian financial crisis, but they have yet to become a major component of labor market programs.

Skills development and training are more prominent in high-income Asian countries. All three of the region's high-income countries—Japan, the Republic of Korea, and Singapore—have such programs specifically geared toward unemployed and underemployed workers. But they are dwarfed in size by social insurance and social assistance programs. Box 3.1 describes Singapore's Workfare Income Supplement Program, which favors keeping low-wage workers in employment rather than providing them with social welfare.

This report's general findings confirm that there is a need to expand active labor market programs across Asia as a whole. In many countries, the rate of growth in employment lags well behind the rate of GDP growth. In high-income and upper-middle-income countries, the expansion of labor market programs is more focused on passive programs as part of social insurance, while in low-income countries the focus is more on cash- or food-for-work programs. Some countries with lower levels of income, such as Bangladesh and India, have had some degree of success in expanding food- or cash-for-work programs, especially in rural areas.

India's Mahatma Gandhi National Rural Employment Guarantee Act supports employment of unskilled manual laborers working—on local infrastructure projects. Despite its large scale, however, this program alone cannot hope to satisfy the widespread demand for productive jobs in the country.

Passive labor market programs—such as unemployment insurance, maternity benefits, and work accident insurance are classified in this report as social insurance schemes. But as will be demonstrated later, such passive programs are also relatively small. In addition, general skills development programs,

Box 3.1: Singapore's Workfare Income Supplement Program

For low-wage Singaporean workers who earn S$1,900 ($1,395) or less per month, Singapore's Workfare Income Supplement (WIS) program dispenses bonuses ranging from S$400 ($294) to S$1500 ($1,102), depending on the workers' average monthly income. When the government initiated WIS in 2007, it was designed as a long-term feature of social assistance that focused on older low-wage workers (45 years old and above).

Since 2007, the WIS program has been regarded as the fourth pillar of the country's Central Provident Fund (CPF). The other three pillars deliver social security for housing (home ownership), health care (affordable access to quality care), and retirement (mandatory defined–contribution scheme for pensions).

As the CPF's fourth pillar, WIS is intended to enhance income equity by supplementing the income of low-wage workers. Primarily intended for older workers, the program also provides smaller benefits to those 35–45 years of age. This program is generally in line with the government's historical reluctance to foster an entitlement culture and increase people's dependence on government assistance.

Since the initiation of WIS, an estimated 400,000 Singaporeans receive workfare benefits every year. This number represents about 14% of all beneficiaries of social protection. Expenditures on this labor market program represent about 5% of all social protection expenditures.

When WIS was introduced, the CPF contribution rates for older low-wage workers were lowered so that these workers could boost their take-home pay. While employer contribution rates for other workers were increased in 2007, low-wage workers were exempted from this hike. The rationale was that lower employer contribution rates would reduce employers' hiring costs and thus increase the employability of these workers.

Source: ADB. 2015. *Singapore: Updating and Improving the Social Protection Index*. Consultant's report. Manila (TA-REG 7601).

which could technically be offered to a broad segment of the population, are not classified as part of social protection. In contrast, active labor market programs are targeted at the unemployed and underemployed—people who are considered poor or disadvantaged.

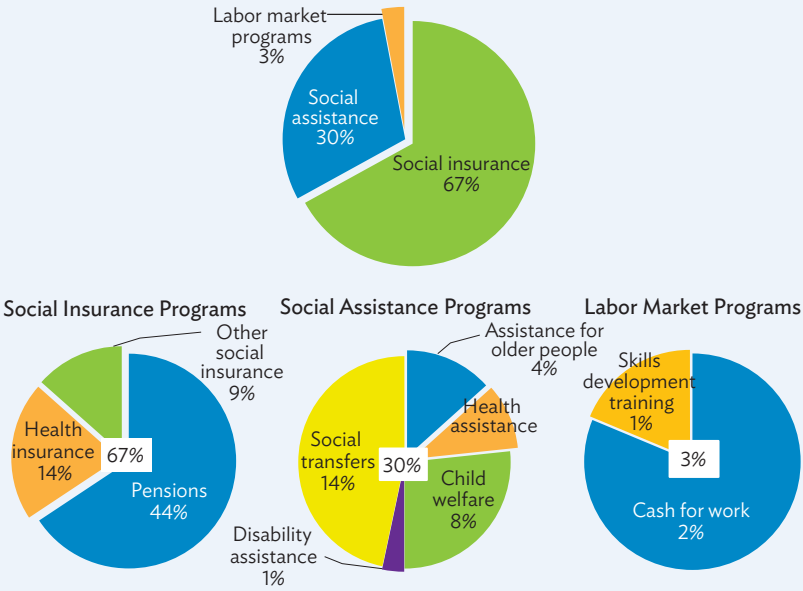
Major Social Protection Programs

In this section, both total expenditures and total actual beneficiaries are disaggregated by: social insurance, social assistance, and labor market programs. Again, such disaggregations are based on unweighted averages.[5]

These disaggregations are illustrated in the two sets of pie charts contained in Figure 3.5 and Figure 3.6. The first set covers expenditures and the second set covers beneficiaries. To avoid unnecessary confusion, the first pie chart in both Figure 3.5 and Figure 3.6 presents results for the three major types of social protection programs. For further details on total expenditures and total actual beneficiaries for all countries in the Asia sample, disaggregated by type of social protection program, please refer to Tables A2.1–A2.6 in Appendix 2.

Measured by expenditures, social insurance dominates the two other social protection programs, accounting for two-thirds, or 67%, of all social protection

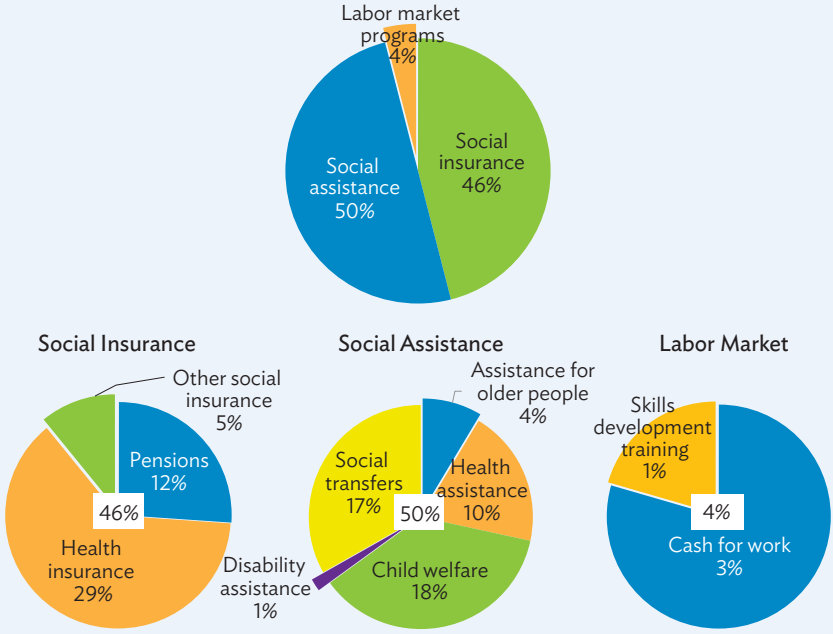
Figure 3.5: Allocation of Social Protection Expenditures by Type of Program and Subprogram, 2012



Source: ADB estimates based on 2015 Social Protection Indicator country reports.

[5] Country figures are treated equally or assigned a weight of 1.

Figure 3.6: Allocation of Social Protection Beneficiaries by Program and Subprogram, 2012



Source: ADB estimates based on 2015 Social Protection Indicator country reports.

expenditures (see the first pie chart of Figure 3.5). Social assistance accounts for 30% of all expenditures, while labor market programs account for only 3%.

Figure 3.6 shows that social assistance accounts for the highest share of beneficiaries at 50%; social insurance lags slightly behind at 46%. Labor market programs have the smallest percentage of beneficiaries account for only 4%.

These disaggregations illustrate that while social insurance accounts for the lion's share of social protection expenditures, such programs reach far fewer beneficiaries than their expenditures would suggest. Expenditures on social assistance, which are not equivalent to even half of the expenditures on social insurance, reach more beneficiaries. This reflects the fact that, in most middle- and low-income countries in Asia, social assistance is the main instrument for supporting the poor and vulnerable, the majority of whom are concentrated in the informal sector.

As mentioned above, the majority of informal workers in these countries are not covered by social insurance, which could provide protection against sickness, unemployment, disability, and old age. However, the adequacy of social assistance is limited due to institutional fragmentation, partial coverage, and the limited size of benefits. As will be seen in Chapter 4, the depth of coverage of social assistance can be relatively shallow; on average, each beneficiary receives only a small benefit.

The results for social insurance are disappointing in the sense that health insurance should strive to attain universal coverage. And pensions should benefit, in principle, all of the older people. But in majority of countries in Asia, the coverage for both programs is still narrow.

Not surprisingly, both the expenditures and the beneficiaries of labor market programs are quite small. Such programs account for 3% of all social protection expenditures and reach 4% of all beneficiaries.

Types of Subprograms

This section delves deeper into the three major types of social protection programs—social insurance, social assistance, and labor market programs—by examining important subprograms within each of them (refer back to Table 2.4). The second, third, and fourth pie charts in Figure 3.5 and Figure 3.6 present the results for the subprograms of social insurance, social assistance, and labor market programs, respectively, as a share of all social protection expenditures (Figure 3.5) and beneficiaries (Figure 3.6).

Social Insurance

Pensions dominated the social insurance spending, and (see the second pie chart of Figure 3.5) account for 44% of all social protection expenditures. As mentioned above, social insurance as a whole accounts for 67% of all social protection expenditures.

However, these figures can be a bit misleading. While pensions dominate social protection throughout much of Asia, only a few countries have extensive pension programs. These include high-income countries such as Japan, the Republic of Korea, and Singapore, as well as transition economies such as Azerbaijan and Uzbekistan. The high-income countries are confronting some of the region's oldest populations. Even though the number of pensioners in these countries is steadily increasing, the standard retirement age has remained basically the same.

Ultimately, pension systems are only as viable as a country's underlying trends in the working-age population, the rate of employment for this age group, and its labor productivity.

Health insurance accounts for only 14% of all social protection expenditures across Asia. In general, public health insurance expenditures are relatively low in Asia. Correspondingly, private out-of-pocket expenditures are relatively high. The real practical challenge for such insurance systems is to spread them beyond civil servants and workers in well-established private firms in the urban formal sector.

Most countries have opted for a health insurance system that offers an extensive package of services to a relative minority of the population, usually comprising those that are formally employed and their dependents. Meanwhile, these countries have generally struggled to expand coverage to the self-employed or the informal sector employees.

In contrast, some countries have chosen a different strategy that strives to offer wide coverage but shallow benefits. The PRC is a prime example. In recent years, it has aggressively expanded its health insurance system, especially in rural areas. The government provides about 80% of the revenue needed to fund this system, while beneficiaries are obliged to cover some expenditures out of their own pocket.

The third major social insurance subprogram is "other social insurance," which includes unemployment, maternity, and disability insurance. This category accounts for 9% of all social protection expenditures.

In general, other social insurance programs are concentrated either in high-income countries or in transition economies where there is a high degree of formalization of employment. These programs are much smaller in most other countries in Asia. Moreover, unemployment benefits are the main form of passive labor market programs, but they are usually only disbursed to workers who have lost public sector jobs or been laid off by large private enterprises.

While pensions account for 44% of all expenditures on social protection, they cover only 12% of all beneficiaries of social protection (see the second pie chart of Figure 3.6). This kind of imbalance in social protection needs to be corrected across Asia. The majority of the labor force in Asia is employed in the informal sector. Thus, they are not covered by health insurance because they do not have formal sector jobs that allow them to make contributions to health insurance schemes.

Health insurance reaches a much larger proportion of beneficiaries, accounting for 29% of all social protection beneficiaries, while all social insurance accounts for 46% (see the first pie chart of Figure 3.6). Thus, health insurance dominates social insurance in the total number of beneficiaries that it reaches. Over the last decade, several Asian countries have expanded their health insurance programs. For example, Box 3.2 describes the Maldives' efforts to provide its population with universal health insurance.

The main contributors in the category of other social insurance are passive labor market programs—such as unemployment, maternity, and work injury insurance—and provident funds, which are similar to pension programs but

Box 3.2: The Maldives' New Health Insurance Scheme

Health insurance schemes in the Maldives have undergone significant expansion. In 2008, the government set up the first national health insurance scheme, Madhana. It covered about 10% of the total population—mainly civil servants, pensioners, those 65 years of age or older, and those living in absolute poverty. Soon afterward, the government established Madhana Plus, which covered health care costs for citizens living abroad.

By 2009, any citizen could join this health scheme as long as they paid an initial fee. The government also intervened to subsidize the fee for the poor. At the start of 2012, the government began rolling out a universal health insurance scheme, Aasandha. This program covers citizens' medical costs in the country and abroad (under certain conditions) up to an annual limit of Rf100,000 ($6,500).

In 2012, this program accounted for 75% of all expenditures on social insurance and 45% of all expenditures on social protection as a whole. Since it is a universal program, its beneficiaries account, not surprisingly, for 89% of all beneficiaries of social protection. Thus, this one program dominates all forms of social protection in the country.

The participants pay no contribution or copayment. However, Aasandha is still a fee-for-service scheme and stabilizing its costs and utilization rates has become a major challenge for the government. Moreover, the government ambitiously took on additional challenges in 2014 when it launched Husnuvaa Aasandha (limitless Aasandha), which seeks to provide coverage for all health care interventions sanctioned by government policy. This coverage will include high-cost procedures such as liver and kidney transplants. Inevitably, expenditures on health insurance in the Maldives will increase significantly over time, as will concerns about the scheme's financial sustainability.

Source: ADB. 2015. *Maldives: Updating and Improving the Social Protection Index*. Consultant's report. Manila (TA-REG 7601).

can include expenditures on other aspects of social protection. Programs in this entire category account for only 5% of all social protection beneficiaries, compared with a 9% share of all social protection expenditures. The reason is that provident funds, which concentrate on providing pensions, and passive labor market programs, such as unemployment benefits, tend to reach relatively few beneficiaries.

Box 3.3 describes the extensive passive labor market programs implemented in the Republic of Korea. These are some of the largest and most important in Asia. Such programs are much smaller in most other countries in Asia.

Box 3.3: The Republic of Korea's Employment Insurance System

The Republic of Korea's Employment Insurance System (EIS) is one of the most extensive passive labor market programs in Asia. Its main components are unemployment benefits, industrial accident insurance, sick leave benefits, and severance payments. The EIS was first implemented in 1995 and was expanded in 1998 to all businesses that have one or more employees. Unemployment benefits are confined to businesses with five or more employees.

The Republic of Korea has a very broad system of social insurance based principally on wide pension coverage and universal health insurance. The EIS is the third major pillar of this system. Its total expenditures in 2012 accounted for 17% of all expenditures on social insurance and its total beneficiaries (about 14.5 million) accounted for over one-fifth of all actual beneficiaries of social insurance.

Sick leave benefits alone covered about 7.7 million beneficiaries, while industrial accident compensation and severance payments covered about 2.9 million each. Unemployment benefits reached almost 900,000 workers.

The Republic of Korea has sought to institute various measures to respond proactively to the rapid changes in the country's industrial structure that could precipitate a substantial loss of employment. Examples of such programs include sanctioned reductions in daily working hours and changes in labor shifts in order to extend employment or maintain employment levels during the global financial crisis.

Such programs also include the Vocational Ability Development Program, which provides financial incentives to employers to encourage them to support employee training. The goal of this program is to improve workers' productivity and incomes, as well as corporate competitiveness.

Source: ADB. 2015. *Republic of Korea: Updating and Improving the Social Protection Index*. Consultant's report. Manila (TA-REG 7601).

The most well-known examples of provident funds in Asia are Malaysia's Employees Provident Fund and Singapore's Central Provident Fund. The SPI exercise separates these programs from pensions because they can be used for purposes other than retirement benefits. These include paying for health care, financing education, and even (in Singapore) purchasing a house.

Provident funds face challenges similar to those confronting standard pensions. Formal sector workers are usually the main beneficiaries of both types of retirement programs. In some countries, such as Singapore, the financial viability of these funds is being eroded by a large and growing older population.

An additional drawback is that the individual accounts under provident funds can, in some cases, be drawn down well before retirement to pay for items such as education and health care. This process is occurring at the same time that people's longevity, and thus their need for more years of pension coverage, is significantly increasing.

Social Assistance

The SPI disaggregates expenditures on social assistance into five subprograms (see the third pie chart of Figure 3.5). The largest, social transfers (e.g., conditional cash transfers), account for 14% of all social protection expenditures, while social assistance as a whole accounts for 30%.

Cash transfer programs have become increasingly important across Asia. But debates continue about whether they should be conditional or unconditional, targeted or universal. If such programs are conditional, not only do they require people to change their behavior—by, for example, seeking out health care—but they also need to ensure that the appropriate supply of social services—in this case, health clinics—is available.

If cash transfer programs are targeted, the associated administrative costs are likely to be higher. Some poor households are often excluded from targeted programs, while a significant number of nonpoor households may be included. Box 3.4 describes Nepal's extensive system of social transfers, which reaches five different demographic groups, including widowed or separated women and the older people above 75 years old.

The PRC's minimum living allowance for the poor gives the responsibility to local governments to identify eligible households, but the standards for qualification differ across rural and urban areas. The size of the cash transfer will also depend on the region in the PRC in which the poor live. Such income-based targeting can be problematic if the incomes of households regularly fluctuate. This

Box 3.4: Nepal's Cash Transfer Programs

Nepal's social assistance program primarily comprises cash transfers to specific vulnerable groups. In 2012, these transfers represented about one-third of all social protection spending in the country and covered over one-quarter of all social protection beneficiaries.

Cash transfers were first introduced by the Nepali government in the mid-1990s and originally targeted the older people, widowed women, and persons with disabilities. Since then, such transfers have been expanded, particularly their coverage. A new child grant was introduced in 2009 and the qualifying ages for some transfers for the older people have been reduced. Moreover, the value of individual transfers has increased over time (Holmes and Uphadya 2009).

There are now five major cash transfer programs. By the size of their expenditures, they are (i) single women's allowance (NRs4.8 billion), (ii) senior citizen allowance (NRs4.5 billion), (iii) child grant (NRs1 billion), (iv) disability allowance (NRs240 million), and (v) endangered indigenous peoples' allowance (NRs230 million).

The single women's allowance has the most beneficiaries, reaching more than 794,000 single women; followed by the senior citizen allowance, which reaches about 750,000 older people; and the child grant, which reaches about 458,000 children. For comparison purposes, Nepal's total population is almost 27 million, its child population is over 9 million, and its older population (60 years and older) is 2.2 million.

Following a Supreme Court ruling, the single women's allowance was expanded in 2010 to include all widows and separated women younger than 60 years old and all single women above 60. The monthly allowance is NRs500.

The child grant was introduced in 2009 to protect children under 5 years old who live in the Karnali Region or who are members of the historically disadvantaged community known as Dalits. The monthly cash grant is NRs200.

The disability allowance covers only 25,127 beneficiaries, though the total number of persons with disabilities in the country is estimated to be about 510,000. People with full disabilities receive a transfer of NRs1000 per month and those with partial disabilities receive NRs300.

The endangered indigenous peoples' allowance is designed to cover all members of Nepal's 10 indigenous groups. Its beneficiaries in 2012 totaled 19,290 people and each of them was entitled to receive NRs1000 per month.

There is an urgent need to establish a monitoring and evaluation framework that could help improve the design of these programs. For example, none of the five programs has yet achieved universal coverage of their eligible beneficiaries. In addition, all suffer from recurring delays in processing new applications and distributing monthly allowances.

Currency Unit: NRs1.00 = $0.01.

Source: ADB. 2015. *Nepal: Updating and Improving the Social Protection Index*. Consultant's report. Manila (TA-REG 7601).

approach is also made more difficult if recipients frequently migrate (e.g., from rural areas to cities).

In the last decade, Asia has witnessed an impressive expansion of cash transfers. A large number of programs focus on poverty relief, providing basic subsistence support to the chronically poor through targeted transfers. As mentioned earlier, social assistance is the main policy tool for supporting informal workers in Asia. While there are some universal schemes, most social assistance programs are designed to provide partial coverage of the poor and vulnerable.

Many programs do not have national coverage and are not available to groups residing in areas outside their operation. While social transfer programs account for 14% of all expenditures on social assistance, child welfare programs, such as free school meals, account for only 8%. But child welfare programs reach a slightly larger share of social assistance beneficiaries (18%) than social transfers (17%). Hence, compared with the scale of their spending, child welfare programs tend to reach a disproportionate number of beneficiaries.

A prevalent problem across Asia is that even when access to primary education is free, many poor families still struggle to send their children to school due to hunger. This is why, for example, Bhutan has implemented both a school meal program and a food-for-education scheme, with the government providing free school meals in poor and remote areas of the country. Cambodia has also implemented a school feeding program that is targeted at the poorest students in primary school. This initiative has provided both free early morning meals and take-home rations. As a result, enrollment and attendance rates have increased.

On the basis of expenditures, the other three social assistance subprograms are fairly small: (i) assistance to the older people, which helps those who do not have access to a pension, accounts for 4% of all social protection expenditures; (ii) health assistance, which provides health care to those who have little or no access to health insurance, accounts for 3%; and (iii) disability assistance, which complements disability benefits that are part of social insurance, accounts for a mere 1% of all social protection expenditures.

Programs providing assistance to the older people are often called social pensions and usually take the form of a cash transfer or a monthly allowance. Since recipients of such pension payments have made no contributions, financing usually has to rely on general government revenue. As a result, governments often try to limit the number of older people recipients by targeting the poor and the oldest population. For example, Nepal's social pensions are targeted at the older people who are 75 years old or older.

Social assistance to the older people in Asia has expanded in the last decade. The difficulty in instituting contributory social insurance has prompted governments in Bangladesh, India, Nepal, the Philippines, Thailand, and Viet Nam to develop tax-financed, noncontributory old-age pensions (or social pensions). Some social pension programs are universal (e.g., Nepal, Thailand) and others are means-tested (e.g., Bangladesh).

Providing adequate assistance to the older people can pose a fiscal challenge in countries where this age group is growing rapidly. Box 3.5 describes efforts in Thailand to provide a monthly allowance to the older people, with the amount provided rising in accordance with people's age. The success of such a program is important for the region since Thailand is one of a number of countries in Asia with a rapidly aging population.

Health assistance can take various forms. There are poverty-targeted, tax-financed health insurance schemes such as Health Insurance Scheme (Rashtriya Swasthya Bima Yojana) for below poverty line cardholders in India (refer to Box 5.1) and Health Care Insurance (Jamkesmas) for the poor and near poor in Indonesia (refer to Box 6.4). In the Lao People's Democratic Republic, the government offers Health Equity Funds to provide poor households with free health care and coverage of the associated costs of such care (e.g., transport). Heavily funded by ADB, the World Bank, and other donors, this program benefited over 650,000 people in 2012, or about 10% of the population of the Lao People's Democratic Republic.

Health assistance also reaches a significant proportion of beneficiaries, accounting for 10% of all social protection beneficiaries. This outreach contrasts sharply with this subprogram's relatively small share of social protection expenditures of only 3%. This implies, however, that its average benefits are quite small.

The strategic goal for health assistance should be to eventually integrate it with some form of universal health coverage. But until such a universal program is available, health assistance can play a valuable role in helping people who have no access to health insurance. Unfortunately, access to such insurance is often dependent on having a job in the formal sector.

Most countries have either no disability programs or only token ones. This is the case even though persons with disabilities, who should be prioritized for coverage, constitute only about 3% of the total population. And as the population in Asia continues aging, disability is likely to become more widespread. Thus, much greater priority must be given to expanding the coverage of disability programs. Box 3.6 discusses a social assistance program for persons with disabilities in Indonesia.

Box 3.5: Progress on Thailand's Old Age Allowance

The Old Age Allowance, or noncontributory pension, in Thailand is a lifelong subsistence allowance that started in 1993 as a benefit for the poor and older persons with disabilities. In 2009, it became a quasi-universal scheme for Thais who reach the retirement age of 60 and earn no other source of income and receive no other form of social protection (Paitoonpong et al. 2010).

Since the program was part of the decentralization of power to local governments, it did not gain traction until local agencies, largely at the subdistrict level, developed the capacity to manage it. Thus, not until 2007–2008 did the number of beneficiaries become significant (ADB 2012a).

The initial level of the allowance was B500 ($15) per month. The central government recognized that this allowance was not sufficient to effectively cover the rising cost of the basic needs of the older people, but it also faced fiscal constraints and therefore could not increase the program's budget (Weber 2009).

However, in 2011, the government approved an increase in the monthly allowance. Following the increase, the older people who were 60–69 years old received a monthly allowance of B600, 70–79 year olds received B700, 80–89 year olds received B800, and those 90 years old or older received B1,000.

In 2012, the Thai government spent B52.6 billion on the program, or about 10% of its total expenditures on social protection and about 30% of its total social assistance expenditures. These expenditures benefited about 6.8 million older people, representing about 8% of all beneficiaries of social protection and over one-third of all beneficiaries of social assistance.

Thailand's population is rapidly aging. This trend poses major challenges for all forms of social protection, particularly for the older people. For example, in 2010, there were 7.5 million Thais who were over 60 years old—about 12% of the total population. Projections suggest that by 2020 there will be 11 million older people, representing more than 17% of the total population (ADB 2012a).

At a present level of total social expenditure of 3.6% of gross domestic product, this would increase the overall public social expenditure as a share of gross domestic product by 0.15 percentage points, which appears to be a manageable order of magnitude. However, the fast-growing older segment of the population has special needs for income security, health care, housing, and other social services.

Thailand's youth dependency rate will continue to fall, which could free some resources that can be reallocated to the financing of income security measures for the older people. Thus, there will likely be increased social pressures to reallocate national finances to provide adequate breadth and depth of coverage of relevant forms of social protection for the older people.

Currency unit: B1.00 = $0.03.

Source: ADB. 2015. *Thailand: Updating and Improving the Social Protection Index*. Consultant's report. Manila (TA-REG 7601).

Box 3.6: Social Assistance for Persons with Disabilities in Indonesia

Social assistance for persons with disabilities in Indonesia is provided in various forms: direct cash transfers, counseling, social rehabilitation, quality home-care institutions, and mobile social service. These social assistance efforts target persons with disabilities who have difficulty in generating income and depend on others for their daily upkeep.

Direct cash transfers are given to people with severe disabilities to help them meet their basic needs. The monthly transfers are Rp300,000 ($23) per person and are generally entrusted with the caregivers or family members of persons with disabilities. Additional grants are also available to help persons with disabilities who want to open their own business.

In 2012, this overall program reached 51,800 beneficiaries. But this was still a small proportion of the 1.1 million persons with disabilities in Indonesia, who were estimated to be among the poorest 40% of the general population (ILO 2012). Also, the monthly allowance is considered to be too low to cover the beneficiaries' living expenses because people with disabilities have to spend more than the average on items such as transportation and health care.

Source: World Bank. 2012. JSLU, JSPACA, PKSA Cash and In-Kind Transfers for At-Risk Youth, the Disabled, and Vulnerable Elderly. *Social Assistance Program and Public Expenditure Review*.

Labor Market Programs

There are two major subprograms of active labor market programs (see the fourth pie chart of Figure 3.5) targeted at the unemployed or underemployed: skills development and training programs, and cash- or food-for-work programs.

The SPI considers only skills development and training programs directed at either the unemployed or the underemployed. Cash- or food-for-work programs seek to reach the same target group through various kinds of employment-promotion programs.

Judged by expenditures, cash- or food-for-work programs are twice as prominent as skills development and training programs. The former subprogram accounts for 2% of all social protection expenditures, while the latter subprogram accounts for 1%.

The demand for such employment programs is nearly limitless since underemployment is widespread in low-income and lower-middle-income

countries, particularly in rural areas. Both Bangladesh and India have undertaken significant efforts to tackle this problem. But such programs, on their own, cannot guarantee the kind of remunerative employment that many workers need in order to escape poverty and vulnerability. Asia is facing the challenge of how to translate the economic growth that is occurring in the region into significant gains in productive employment.

Cash- or food-for-work programs reach a significantly larger share of social protection beneficiaries than skills development and training programs (see the fourth pie chart of Figure 3.6). Out of the 4% share of all social protection beneficiaries accounted for by labor market programs, 3 percentage points are accounted for by cash- or food-for-work programs. Not only do these programs spend twice as much as skills development and training programs, but also they reach a disproportionately larger number of beneficiaries.

One of the criticisms of such work programs is that they generally fail to provide training and develop workers' skills. Hence, a priority for active labor market programs in Asia could be the strategic linking of cash- or food-for-work programs with skills development and training programs.

Impact of Disaster Relief in Asia

As indicated in Chapter 1, the national researchers who gathered the data for this report also collected information on expenditures on disaster relief and the beneficiaries of such initiatives. However, their estimates of the potential beneficiaries of disaster relief remain unreliable given the nature of disasters and their aftermath. This was also a problem for the earlier ADB effort directed at gathering 2009 SPI data. Unlike most other forms of social protection, disaster relief can vary widely within a country over time.

When disasters strike, it can be difficult to derive reliable estimates of the number of people adversely affected by them, especially if they are not recorded as eligible for any benefits. Since the potential beneficiaries of social protection are an integral part of deriving the SPI, this drawback casts doubt on the reliability of SPI estimates for this subprogram of social assistance.

Thus, instead of including disaster relief in SPI estimates, this report has chosen to treat it separately in this section. Table 3.2 shows expenditures on disaster relief as a share of total social protection expenditures and the number of beneficiaries as a share of total social protection beneficiaries in 15 Asian countries for which data has been collected.

Table 3.2: Disaster Relief Expenditures and Beneficiaries, 2012 (%)

Country	Share of Disaster Relief Expenditures in Total Social Protection Expenditures	Share of Disaster Relief Beneficiaries in Total Social Protection Beneficiaries
Azerbaijan	10.7	4.3
Bangladesh	12.2	24.4
Cambodia	7.8	1.9
China, People's Rep. of	0.5	3.8
Indonesia	0.3	0.2
Japan	0.0	0.2
Korea, Rep. of	0.5	1.1
Lao People's Democratic Republic	5.7	0.3
Nepal	0.0	1.5
Pakistan	2.3	1.9
Philippines	0.4	3.7
Sri Lanka	0.7	0.9
Tajikistan	2.5	0.6
Thailand	18.3	1.5
Viet Nam	1.0	1.6
Overall Average	**4.2**	**3.2**

Note: The overall averages are unweighted.
Source: ADB estimates based on 2015 Social Protection Indicator country reports.

In 2012, disaster relief comprised, on average, 4.2% of all social protection expenditures and reached, on average, 3.2% of all beneficiaries of social protection.

In some cases, expenditures on disaster relief were quite significant. For example, they represented about 18% of all social protection expenditures in 2012 in Thailand, about 12% in Bangladesh, and about 11% in Azerbaijan.

In Thailand, expenditures were devoted to rebuilding infrastructure damaged by widespread flooding across 65 provinces in 2011. In Bangladesh, torrential rains caused large floods and landslides (Reliefweb 2012). And in Azerbaijan, reconstruction efforts were undertaken to respond to the extensive damage caused by two major earthquakes (Sashimi and Geist 2012).

Disaster relief's share of social protection beneficiaries tended to be smaller on average than its share of total social protection expenditures. Bangladesh was an exception in this respect as disaster relief reached about one-quarter of all social protection beneficiaries, compared with disaster relief expenditures that accounted for about 12% of total spending for social protection. The next highest percentages of social protection beneficiaries reached by disaster relief were in Azerbaijan, the PRC, and the Philippines at about 4% each.

The Philippines had the highest number of deaths in Asia due to natural disasters in 2012. A huge tropical cyclone was the main factor, causing about 2,300 deaths. In the PRC, torrential rains killed about 770 people, representing the second-highest number of deaths (Citizens' Disaster Response Center 2013).

Table 3.3 lists the SPI with and without disaster relief for 15 Asian countries. This will help readers gauge the impact of removing disaster relief from the computations of the SPI. Overall, there appears to be little or no change for most countries. Azerbaijan's SPI declines by 0.2 percentage points and Thailand's by 0.6 percentage points.

For some other countries—such as the PRC, Japan, and the Philippines—the SPI goes up by 0.2 percentage points after the removal of disaster relief from the computations. This outcome signifies that their expenditures on disaster relief (numerator) were not large in comparison with the size of the recorded intended beneficiaries (denominator).

In summary, this chapter presented social insurance as the dominant program among the three main social protection programs. While the overall average SPI in Asia is equivalent to 3.7% of GDP per capita, social insurance alone accounts for 2.7 percentage points, social assistance for 0.9 percentage points, and labor market programs for only 0.1 percentage points. The higher the GDP per capita of a country group, the higher the expenditures on social insurance are likely to be; the opposite is true for social assistance.

Broad forms of social assistance can be difficult for governments to sustain, even in countries with high SPI such as Mongolia, where now only children are the beneficiaries of the once-universal Human Development Fund, chiefly because of financing shortfalls.

While social insurance accounts for the bulk of social protection expenditures, social assistance expenditures, at less than half the amount, actually reach more beneficiaries. This is because in most middle- and low-income countries in Asia, social assistance is the primary means of supporting the poor and

Table 3.3: Social Protection Indicator with and without Disaster Relief, 2012

Country	With Disaster Relief (%)	Without Disaster Relief (%)	Differences (percentage points)
Azerbaijan	6.4	6.2	(0.2)
Bangladesh	1.2	1.1	(0.1)
Cambodia	1.2	1.2	0.0
China, People's Rep. of	4.1	4.3	0.2
Indonesia	1.2	1.2	0.0
Japan	11.5	11.7	0.2
Korea, Rep. of	5.0	5.1	0.1
Lao People's Democratic Republic	0.6	0.6	0.0
Nepal	1.6	1.7	0.1
Pakistan	1.4	1.4	0.0
Philippines	2.0	2.2	0.2
Sri Lanka	2.6	2.7	0.1
Tajikistan	0.7	0.7	0.0
Thailand	3.5	2.9	(0.6)
Viet Nam	4.0	4.0	0.0

( ) = negative.

Note: Changes in percentages are also due to changes in the weight of social assistance vis-à-vis social insurance and labor market programs.

Source: ADB estimates based on 2015 Social Protection Indicator country reports.

vulnerable, who are concentrated in the informal sector and do not have access to employer-provided health insurance (whether public or private).

Meanwhile, the demand for cash- or food-for work programs is extremely high as underemployment is widespread in low-income countries, particularly in rural areas. Programs such as these are meeting with some success in Bangladesh and India. Across the region, they account for twice as much social protection expenditures as skills development and training programs, while reaching three times the number of beneficiaries.

Since it is difficult to reliably estimate the number of potential beneficiaries of disaster assistance, this subprogram of social assistance was not included in the

SPI data analysis for this report. However, for purposes of comparison, there appears to be little or no change in the SPI for most countries when disaster assistance is excluded.

The next chapter will examine the depth and breadth of coverage of social protection, which are measures of, respectively, the average benefits of each actual beneficiary (compared with GDP per capita) and the proportion of potential beneficiaries that actually receive benefits.

4 Depth and Breadth of Social Protection

This chapter surveys the results from disaggregating the SPI by the depth of benefits and breadth of coverage of social protection.

The SPI focuses on comparing total expenditures on social protection with the number of potential beneficiaries of such expenditures. For example, the potential beneficiaries of pensions are regarded as the proportion of the population that is 60 years old or above. For the calculation of the SPI, this population group is the denominator and total pension expenditures is the numerator. Once estimates of the actual beneficiaries of pensions (namely, those who receive benefits) are known, two additional ratios can be calculated. The first is total expenditures on pensions divided by actual pension beneficiaries. The second is actual pension beneficiaries divided by total potential beneficiaries (e.g., those 60 years old and above).

The first ratio is called the **depth of benefits**. It is equivalent to the average pension benefits of each actual beneficiary (compared with GDP per capita). The second ratio is called the **breadth of coverage**. It assesses the proportion of potential beneficiaries that actually receive benefits. This disaggregation opens up the possibility of providing a deeper analysis of the SPI results.

The analysis of the depth and breadth of social protection helps enable researchers to identify more clearly how countries are making progress on social protection. In addition, combining this analysis with the disaggregation of social protection into social insurance, social assistance, and labor market programs can provide a fairly comprehensive understanding of how such progress is achieved.

Appendix 1 provides a mathematical representation of the depth of benefits and breadth of coverage. For example, the depth of benefits (average benefits per actual beneficiary) is compared with GDP per capita because depth is a monetary term. Depth can be characterized as being equivalent to a percentage of GDP per capita (just as the overall SPI can). The difference is that social

protection expenditures are compared with actual beneficiaries, not potential beneficiaries.

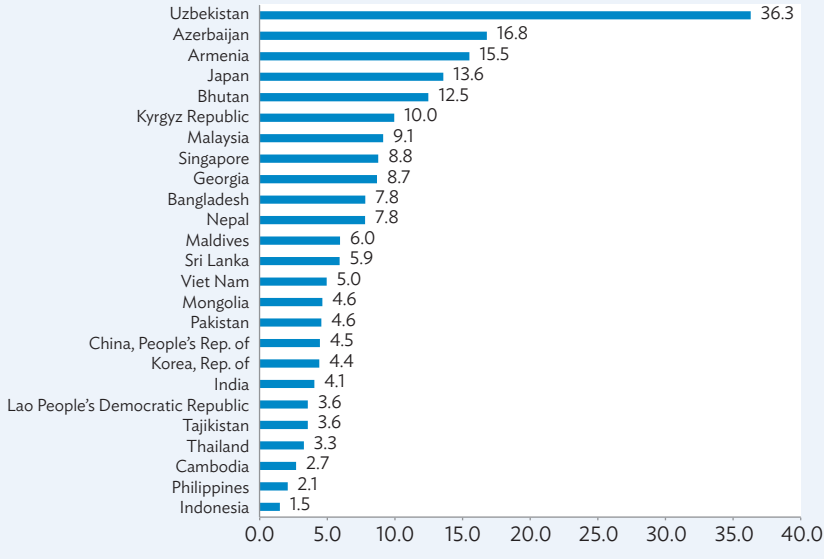
When the breadth of coverage for the SPI as a whole is disaggregated—for example, into the breadth of coverage for social insurance, social assistance, and labor market programs—the disaggregated results have to be presented as weighted averages.

Though not always explicitly highlighted, these two aspects of measuring depth and breadth will be reflected in the discussion of the results provided below.

Depth of Benefits

Figure 4.1 shows the depth of social protection benefits for the 25 Asian countries covered by this report. Table 4.1 provides more explanatory detail for each country on the depth of benefits for social insurance, social assistance, and labor market programs.

Figure 4.1: Overall Depth of the Social Protection Indicator, 2012 *(%)*



Source: ADB estimates based on 2015 Social Protection Indicator country reports.

Table 4.1: Overall Depth of the Social Protection Indicator by Program, 2012 (%)

Country	Overall Depth	Social Insurance	Social Assistance	Labor Market Programs
Uzbekistan	36.3	82.6	10.9	2.8
Azerbaijan	16.8	23.2	10.5	1.7
Armenia	15.5	26.2	8.3	3.4
Japan	13.6	13.8	13.8	3.8
Bhutan	12.5	44.6	4.2	12.1
Kyrgyz Republic	10.0	10.3	9.1	3.8
Malaysia	9.1	62.4	1.1	3.1
Singapore	8.8	12.3	6.1	3.0
Georgia	8.7	21.7	5.0	...
Bangladesh	7.8	209.1	4.3	5.7
Nepal	7.8	36.6	3.9	4.0
Maldives	6.0	4.0	29.1	...
Sri Lanka	5.9	25.8	1.0	1.8
Viet Nam	5.0	5.3	3.2	21.1
Mongolia	4.6	5.5	4.1	1.1
Pakistan	4.6	26.7	0.9	8.2
China, People's Rep. of	4.5	4.9	2.6	4.5
Korea, Rep. of	4.4	4.2	7.4	1.6
India	4.1	4.4	3.1	7.8
Lao People's Democratic Republic	3.6	6.6	1.1	9.0
Tajikistan	3.6	5.5	1.9	3.4
Thailand	3.3	2.9	4.7	...
Cambodia	2.7	4.4	2.4	2.0
Philippines	2.1	2.4	1.2	2.3
Indonesia	1.5	1.1	1.8	2.9
Overall Average	**8.1**	**25.9**	**5.7**	**5.0**

... = data not available.

Notes: Depth of each category needs to be weighted to add up to the overall depth of social protection. Overall averages are unweighted.

Source: ADB estimates based on 2015 Social Protection Indicator country reports.

The overall average depth of social protection for the region is estimated at 8.1%. That is, the social protection benefits of each actual beneficiary of social protection programs are about 8.1% of GDP per capita. Furthermore, the overall average depth of benefits for social insurance is about 25.9% of GDP per capita, while for social assistance it is 5.7%, and for labor market programs it is 5.0%.

Uzbekistan has the highest overall depth of benefits among the 25 countries at 36.3%. This means that the average social protection expenditure per actual beneficiary is equivalent to over a third of Uzbekistan's average GDP per capita.

Table 4.1 shows that Uzbekistan's overall result is driven by its depth of benefits for social insurance. The latter is very high, at about 83% of GDP per capita. Over 99% of Uzbekistan's expenditures on social insurance go to pensions. This result signifies that its average pension payment is close to the level of its average GDP per capita.

There are, in fact, 5 transition economies among the 10 countries with the highest overall depths of benefits—Azerbaijan, Armenia, the Kyrgyz Republic, and Georgia, along with Uzbekistan. But their standing is due primarily to the depth of social insurance (and, within social insurance, to the depth of pension benefits).

For example, Azerbaijan's social insurance has a depth of benefits that is equivalent to about 23% of GDP per capita while Armenia's depth is equivalent to 26% of GDP per capita. Though not as high as Uzbekistan's depth, these levels are still well above average. Not surprisingly, in Azerbaijan, pensions account for 96% of all expenditures on social insurance; in Armenia, they account for 93%.

As indicated in the 2013 ADB publication, *The Social Protection Index: Assessing Results for Asia and the Pacific*, many of these countries have had to undertake wide-ranging reforms to the pension systems they inherited from the Soviet era. This effort has involved tightening eligibility criteria, increasing the retirement age, and changing from defined-benefits to defined-contributions systems. Population aging is challenging the financial sustainability of their pension systems.

Despite budgetary pressures, many of these transition economies still provide above-average benefits for social assistance. For example, both Azerbaijan and Uzbekistan have a depth of social assistance benefits that exceeds 10% of GDP per capita. In Uzbekistan, child welfare expenditures, which are the

predominant form of social assistance in the country, account for over 14% of all expenditures on social protection.

Japan, which is ranked fourth on depth of benefits, exhibits a relatively balanced pattern. Its depth for both social insurance and social assistance is equivalent to about 14% of GDP per capita, and its overall depth is about the same. Spreading social protection expenditures in this way could be considered, to some degree, a desirable policy since different segments of the population tend to benefit from different forms of social protection.

Ranked 10th, Bangladesh has a relatively high social protection depth primarily because of an extraordinarily high depth of pension benefits. Table 4.1 shows that the depth measure for its social insurance, which is devoted entirely to pensions, is equivalent to over twice the level of GDP per capita (209%). This measure signifies that a relatively small number of beneficiaries are receiving fairly large pensions. In fact, in 2012, there were only about 380,000 pension beneficiaries out of a total older population of over 10 million. Also, because of a lack of coverage of other forms of social protection, Bangladesh's overall SPI is still only 1.1% of GDP per capita.

Like Bangladesh and Uzbekistan, Malaysia exhibits a relatively high ratio for depth for social insurance—specifically, for pensions and Employees Provident Fund benefits. This level is equivalent to over 60% of GDP per capita. But while social insurance in Malaysia accounts for about 89% of all expenditures on social protection, it reaches only about 10% of all social protection beneficiaries (See Box 4.1 for background information on pensions in Malaysia).

Bhutan has a depth of social insurance that approximates 45% of GDP per capita. Yet, its overall SPI is only 0.8%. This implies that its breadth of coverage is very narrow. In fact, while its expenditures on pensions account for all expenditures on social insurance (as well as almost three-quarters of all expenditures on social protection), they reach only about 10,500 beneficiaries. This is one of the major reasons that its overall SPI is so low.

In contrast, countries that have high SPIs also tend to have high depth of benefits and wide breadth of coverage of social protection. Mathematically, the overall SPI is a product of the multiplication of depth and breadth. In practice, this kind of balance in social protection better serves the beneficiary population. The next section of this chapter examines breadth of coverage.

Box 4.1: Malaysia's Employees Provident Fund

The Employees Provident Fund (EPF) was established under the EPF Act, 1951 to ensure retirement benefits for private and nonpensionable public sector employees. An agency under the Ministry of Finance manages the fund and serves as a social security institution in the country. The act was later revised in 1991.

The EPF is a compulsory savings scheme that covers private sector employees, the self-employed, and some employees in the public sector. All employees in the private sector who are employed under a contract of service must contribute a certain percentage of their monthly wages to the fund, in accordance with wage categories. Public sector employees who do not qualify for the government pension scheme are also required to contribute to the fund. A self-employed person can contribute any sum in excess of a minimally stipulated amount.

Contribution rates are calculated based on an employee's maximum monthly earnings. The rates for an insured person are 11% of monthly earnings for members up to age 60 and 5.5% of monthly earnings for members aged 60–75 years. The employer is required to contribute 13% of monthly earnings of RM5,000 ($1,618) or below, and 12% for monthly earnings over RM5,000 for members up to age 60, and 6.5% of monthly earnings for members aged 60–75 years.

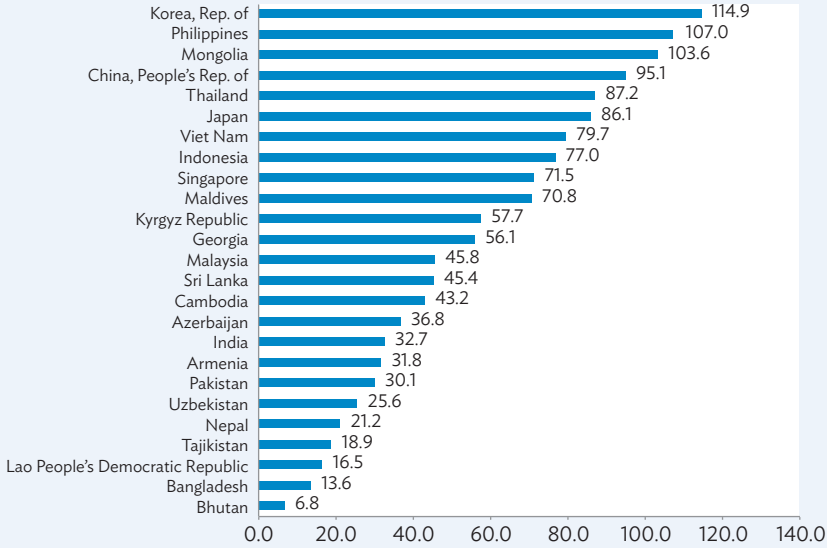
Policies and strategies related to the EPF have been revised over concerns of the inadequacy of its coverage. As of December 2013, for example, EPF statistics indicated that 71% of members who retired at the age of 55 had less than RM50,000 ($16,181) in their EPF savings. Consequently, measures were introduced to boost retirement savings. One such measure was an increase in the employer contribution rate. Conditions such as a full EPF contribution rate for employees up to age 60 and flexible withdrawal of funds at age 55 have also been designed to improve the program. As of 2012, about 22% of the older population are covered by the program.

Source: ADB. 2015. *Malaysia: Updating and Improving the Social Protection Index*. Consultant's report. Manila (TA-REG 7601).

Breadth of Coverage

Figure 4.2 ranks the 25 countries in the SPI sample by their breadth of coverage, which is the proportion of potential beneficiaries actually provided with benefits. These rankings are quite different from those for depth of benefits.

Figure 4.2: Overall Breadth of the Social Protection Indicator, 2012 *(%)*



Source: ADB estimates based on 2015 Social Protection Indicator country reports.

The Republic of Korea, Mongolia, and the Philippines have a breadth of coverage that exceeds 100%, due to beneficiaries of more than one social protection program. The PRC has a breadth of coverage close to 100%.

Table 4.2 shows that the Republic of Korea's wide overall breadth of coverage is due mainly to its coverage of social insurance. While the country is noteworthy for providing universal coverage for both health insurance and pensions, it also reaches a large number of workers with passive labor market programs such as unemployment insurance.

It is this unusual combination that leads to a breadth of coverage for the Republic of Korea that exceeds 100%. Unemployed workers are receiving benefits, from extensive passive labor market programs such as the Unemployment Benefit program as well as from universal health insurance.

Mongolia has covered its entire population of about 2.9 million with universal health insurance and with social transfers from its Human Development Fund, which operated as a universal fund until 2012 (National Statistics Office of Mongolia 2014). The financing of the latter initiative drew on the country's

Table 4.2: Overall Breadth of the Social Protection Indicator by Program, 2012 (%)

Country	Overall Breadth	Social Insurance	Social Assistance	Labor Market Programs
Korea, Rep. of	114.9	96.3	12.7	5.9
Philippines	107.0	75.3	31.2	0.5
Mongolia	103.6	42.7	59.2	1.7
China, People's Rep. of	95.1	75.5	17.6	2.1
Thailand	87.2	67.2	20.0	...
Japan	86.1	76.8	7.8	1.5
Viet Nam	79.7	61.1	18.0	0.7
Indonesia	77.0	33.2	42.9	0.9
Singapore	71.5	35.6	25.7	10.1
Maldives	70.8	65.3	5.5	...
Kyrgyz Republic	57.7	43.4	14.0	0.2
Georgia	56.1	12.2	43.9	...
Malaysia	45.8	6.0	38.9	0.9
Sri Lanka	45.4	9.0	35.5	1.0
Cambodia	43.2	6.9	34.6	1.7
Azerbaijan	36.8	18.4	18.3	0.2
India	32.7	11.1	18.0	3.6
Armenia	31.8	12.9	18.7	0.2
Pakistan	30.1	4.2	25.6	0.3
Uzbekistan	25.6	9.1	16.5	0.0
Nepal	21.2	2.5	18.0	0.6
Tajikistan	18.9	8.3	10.0	0.5
Lao People's Democratic Republic	16.5	7.5	9.0	0.0
Bangladesh	13.6	0.2	8.0	5.4
Bhutan	6.8	1.4	5.2	0.2
Overall Average	**55.0**	**31.3**	**22.2**	**1.5**

... = data not available.

Note: The denominator for the overall average is the number of potential beneficiaries across all three programs.

Source: ADB estimates based on 2015 Social Protection Indicator country reports.

extensive mining revenues. Thus, any additional expenditure on other forms of social insurance (e.g., pensions) as well as on other forms of social assistance (e.g., child welfare) produced a breadth of coverage that exceeds 100%.

Both the PRC and the Philippines provide wide coverage of potential beneficiaries, mainly with respect to social insurance. The Philippines has been making steady progress toward universal health insurance, while also providing extensive social assistance to children and the poor. Meanwhile, the PRC has been rapidly expanding health insurance and pension coverage in both rural and urban areas.

Box 4.2 discusses the PRC's concerted efforts to extend pension coverage beyond workers in large urban enterprises to reach a significant number of new beneficiaries.

Indonesia ranks among the top 10 countries in Asia for breadth of coverage. Its breadth of coverage for social assistance (about 43%) is wider than that for social insurance (about 33%). Social assistance programs include the Rice for the Poor program, and Jamkesmas (social health insurance) program. The former reaches about 18.5 million beneficiaries, and reaches more 76 million (ADB 2015k). As a point of reference, Indonesia's total poor population, which should constitute the chief beneficiaries of such programs, is only about 28.6 million. Thus, Indonesia's ability to continue subsidizing such a large health insurance program is likely to face significant challenges.

Interestingly, only two countries—Japan and Singapore, both of which are high income—rank among the top 10 countries in both depth of benefits and breadth of coverage. This is why both countries have relatively high overall SPIs. At the practical level, this outcome also represents a very significant achievement. Not only have both countries reached a substantial proportion of the potential beneficiaries of social protection, but they have also spent, on average, a substantial amount of money on them. For most of the other countries in Asia, which have much lower levels of public expenditures, such high overall SPIs are likely to be unattainable in the medium term.

Table 4.2 shows that Japan's achievement has been due mainly to its wide coverage of social insurance, while Singapore has achieved notable coverage for both social assistance and labor market programs, as well as broad coverage for social insurance. Singapore's achievement is most distinctive in expanding active labor market programs to the underemployed. Its breadth of coverage for such programs (over 10%) is the largest among the Asian countries in the SPI sample.

Box 4.2: The Rapid Spread of Rural and Urban Pensions in the People's Republic of China

The People's Republic of China (PRC) began piloting a rural pension system in 1992. Since this scheme was originally financed mainly by individual contributions, its coverage was limited. In 2008, the government launched a major effort to expand a new national rural pension scheme.

This system has two parts: a basic pension and an individual account pension. The basic pension currently equals CNY55 ($9) a month. The central government takes full financial responsibility for this payment in the poorer central and western provinces of the country, and only half the responsibility in the richer eastern provinces. Local governments can increase the financial contribution at their own discretion.

The individual account pension is financed mainly by individuals, with their contributions matched by government subsidies. Individuals younger than 45 years old are required to contribute to this pension for 15 years in order to receive benefits. Those citizens older than 45 years of age can simply pay upon the commencement of the plan in their area until they reach 60 years of age. Those already 60 years old and above can enjoy a basic pension or direct monthly subsidies from the government.

The new rural pension was piloted in 10% of counties across the country in 2009 and was quickly expanded until all counties were covered by 2012. On the basis of the rapid expansion of the rural pension scheme, there was a movement starting in 2011 to set up a similar pension scheme for urban residents with no formal job and thus no right to a pension.

The expansion of the pension scheme for rural and urban residents in the PRC has grown substantially. In 2012, 483.3 million residents participated in this system, out of a total population of about 1.4 billion. And 130.8 million citizens were already receiving pension benefits totaling CNY115 billion ($18 billion).

These expenditures make this pension system the seventh-largest social protection program in the country. However, the program is still only about one-eighth the size of the much older Basic Old Age Pension for Urban Enterprise Employees program, which disburses CNY959 billion ($152 billion).

Despite the apparent success of these pension schemes, the PRC still faces some formidable hurdles, such as its rapidly aging population. The impact of labor migration is also a problem. While central government guidelines guarantee rights to accrued pensions benefits, workers who migrate from one city to another often encounter administrative hurdles in accessing such benefits (Pozen 2013). As the PRC's population continues to age, the government will also most likely face financial difficulties in subsidizing such an extensive pension system.

Source: ADB. 2015. *People's Republic of China: Updating and Improving the Social Protection Index*. Consultant's report. Manila (TA-REG 7601).

Five of the countries ranked among the top 10 for depth of benefits are among the bottom 10 for breadth of coverage. These are Armenia, Azerbaijan, Bangladesh, Bhutan, and Uzbekistan. A relatively high ranking for depth combined with a relatively low ranking for breadth reflects a social protection system with large expenditures on a smaller group of potential beneficiaries.

This outcome also could imply that the relatively high SPIs of Armenia, Azerbaijan, and Uzbekistan have been achieved without reaching many of the people who should be receiving benefits, especially those needing social assistance or access to labor market programs. Moreover, even though Bhutan and Bangladesh have achieved significant depth of benefits, their breadth of coverage is low at about 7% and 14%, respectively, and their overall SPIs are correspondingly very low.

Hence, when the SPI is disaggregated into depth and breadth, it can reveal that the high SPIs of some countries might not be indicative of a balanced, sustainable, or fair distribution of resources. In some cases, countries have invested heavily in pension coverage for formal sector workers but neglected other vital aspects of social protection. In other cases, countries might have adopted a universal approach to protection, such as for social insurance or social assistance, but they either cannot sustain such a strategy financially or they can only provide a large segment of the population with very modest benefits.

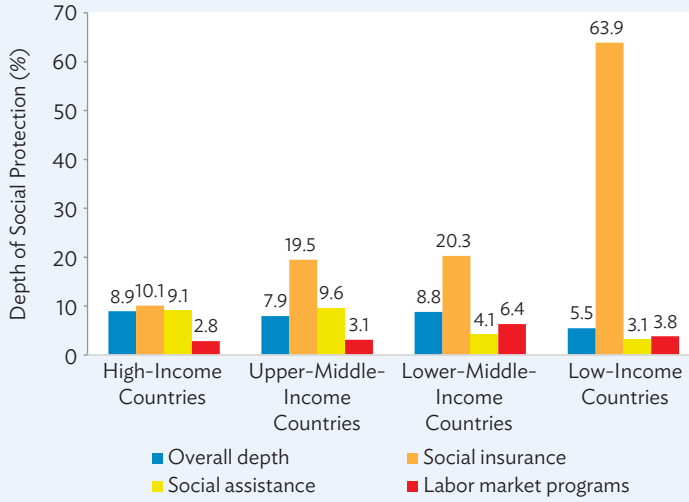
Depth by Income Group

Figures 4.3 and 4.4 provide a disaggregation of overall depth and breadth by country income group. Figure 4.3 shows that there appears to be little correlation between a county's average overall depth of social protection and its GDP per capita.

Low-income countries have the lowest average depth of social protection at the equivalent of only 5.5% of GDP per capita. Lower-middle-income countries have an average depth of 8.8% of GDP per capita, which is about the same as the average depth of high-income countries (8.9%).

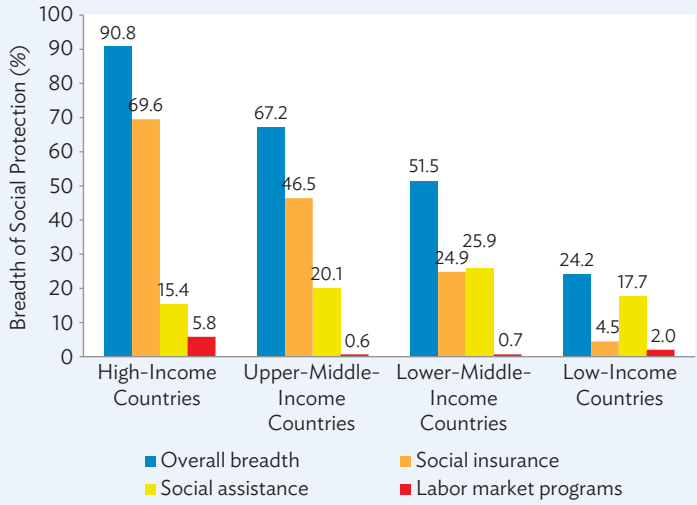
Upper-middle-income countries have an average depth of 7.9% of GDP per capita, which is not much lower than that of high-income countries. So there does not appear to be much difference in depth of coverage across the three highest income groupings.

Figure 4.3: Depth of the Social Protection Indicator by Program and Income Group, 2012



Source: ADB estimates based on 2015 Social Protection Indicator country reports.

Figure 4.4: Breadth of the Social Protection Indicator by Program and Income Group, 2012



Source: ADB estimates based on 2015 Social Protection Indicator country reports.

Breadth by Income Group

Figure 4.4 shows that high-income countries have the widest overall breadth of coverage, reaching an average of almost 91% of the potential beneficiaries. This outcome represents an impressive achievement. The breadth of coverage among upper-middle-income countries is much narrower at about 67%.

The overall average breadth of coverage among lower-middle-income countries is narrower still at about 52%. In other words, this group's social protection covers, on average, only about one-half of all potential beneficiaries.

The lowest overall breadth by far is that for low-income countries at only about 24%. In other words, less than one-fourth of all potential beneficiaries of social protection receive benefits in this grouping of countries.

As illustrated by the results for the 10 countries with the highest depths (Table 4.1), it is possible for low-income countries to be among the grouping of countries with the highest depths. In such cases, however, they tend to be providing large benefits to a very small segment of the population—usually a very limited number of pensioners. Rarely does a low-income country achieve wide breadth of coverage of social protection across the board.

To conclude, the analysis of the depth and breadth of coverage of social protection helps identify the countries making progress on social protection overall as well as within the three different major social protection programs. The average social protection benefits of each actual beneficiary in Asia are about 8.1% of GDP per capita. The overall average depth of benefits for social insurance is 25.9% of GDP per capita, for social assistance, 5.7%, and for labor market programs, 5.0%.

The standing of five transition economies—Armenia, Azerbaijan, Georgia, the Kyrgyz Republic, and Uzbekistan—among the 10 countries with the highest overall depths of benefits is the result of their social insurance expenditures for pension programs. But the rankings for three of these economies—Armenia, Azerbaijan, and Uzbekistan—are among the bottom 10 for breadth of coverage. As would be expected, only those countries with a high overall SPI tend to have high depth of benefits and wide breadth of social protection coverage. Only two high-income countries, Japan and Singapore, rank among the top 10 countries in both categories of coverage.

The next chapter will discuss disparities in social protection between the poor and nonpoor, and between women and men.

Poverty and Gender Dimensions of the Social Protection Indicator

5

This chapter reviews the distributional impacts of social protection. It is based on disaggregating the SPI (twice) into subgroups. The first disaggregation is between the poor and the nonpoor. The second is between women and men. The purpose is to provide analysis of the degree to which poverty and gender affect the social protection program.

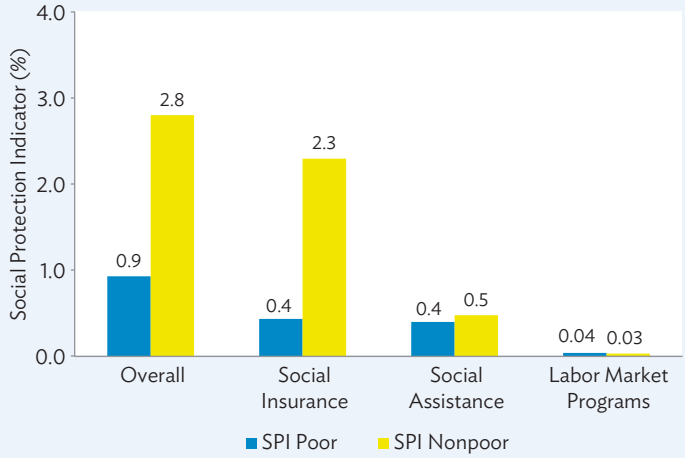
The methodology for disaggregating the SPI is presented in Appendix 1. This methodology needs improvement, with the chief constraint being the lack of adequate disaggregated poverty and sex data. The main difficulty is that official data on such distributional outcomes are usually not available from governments. Thus, national researchers who have gathered data for the SPI report often have had to rely on informed estimates from government officials and program practitioners.

Hence, the general results that are presented in this chapter should be regarded as indicative rather than definitive. More concerted future efforts, especially those based on analysis of surveys, will have to be undertaken to improve the quality of data for the poverty and gender dimensions of the SPI.

Poverty Dimension of the Social Protection Indicator

When the SPI is disaggregated into the impacts on the poor and nonpoor (Figure 5.1), it is clear that the nonpoor are, overall, the main beneficiaries of social protection. While the SPI for the poor is only equivalent to 0.9% of GDP per capita, the SPI for the nonpoor is equivalent to 2.8% of GDP per capita. Together, these two SPIs sum to Asia's overall average SPI of 3.7% of GDP per capita.

Figure 5.1: Social Protection Indicator by Program and Poverty Status, 2012



SPI = Social Protection Indicator.
Source: ADB estimates based on 2015 SPI country reports.

The nonpoor enjoy a clear advantage in benefiting from social insurance. For this type of program, the SPI for the nonpoor is 2.3%, while that for the poor is only 0.4%. This disparity is difficult to overcome because the poor are far less likely to be employed in the formal sector. India has been attempting to overcome this disadvantage by supporting a social protection program, Rashtriya Swastha Bima Yojana, which provides health insurance to the poor (Box 5.1). Though it is an unusual hybrid program, the SPI project has included it as a form of health insurance.

For social assistance, the distributional impacts on the poor and nonpoor appear to be more equally distributed. The SPI for the poor is 0.4% and that for the nonpoor is 0.5%. Of course, the overall impact of social assistance is relatively small (equivalent to only about 0.9% of GDP per capita). The differential impact on the poor versus the nonpoor will depend to some degree on the balance between poverty-focused programs and universal programs.

Box 5.2 describes the Benazir Income Support Program in Pakistan, a flagship unconditional cash transfer program that seeks to reach the poorest and most vulnerable.

For labor market programs, which are targeted at unemployed and underemployed workers, the poor appear to do slightly better than the nonpoor.

Box 5.1: Health Insurance for the Poor in India

Rashtriya Swastha Bima Yojana (RSBY) is a hybrid social insurance scheme launched in October 2007 by India's Ministry of Labor and Employment to provide health insurance coverage to below poverty line (BPL) households. It focuses on providing protection from health shocks that involve hospitalization.

As of 2012, 6.8 million persons were covered by this program. This number represented about 9% of all beneficiaries of social insurance in India. The costs of the program represented 2.2% of all social insurance expenditures. Beneficiaries under the RSBY are entitled to hospitalization coverage up to the equivalent of about $500 for most diseases. The government has prescribed the package rates for the hospitals for a large number of health interventions.

Preexisting conditions are covered and there is no age limit. The majority of the financing (about 75%) is provided by the central government, while the remainder is paid by the respective state governments.

Coverage under the scheme extends to five members of the family. This includes the head of the household, the spouse, and up to three dependents. Beneficiaries need to pay the equivalent of only $0.50 as a registration fee. The central and state governments pay the premium to the insurer selected by the state government on the basis of competitive bidding.

The RSBY provides participating BPL households with freedom of choice between public and private hospitals. Thus, such households are often welcomed at private hospitals because of the significant government revenue that they stand to earn from the scheme. Nongovernment organizations and microfinance institutions are also supported by this program to assist BPL households in accessing health care.

The efficiency of the program has been enhanced by issuing every beneficiary family a biometric-enabled smart card containing their fingerprints and photographs. All of the hospitals selected under the RSBY are information technology–enabled and connected to a server at the district level. This innovation ensures a smooth flow of data on service utilization. In addition, a beneficiary who has been enrolled in a particular district is able to use his or her smart card in any RSBY hospital across the country. This aspect makes the scheme unique and is particularly beneficial to poor families, who often have to migrate from one place to another to secure a livelihood.

However, despite relative success, this program still faces formidable challenges, such as the lack of infrastructure in many rural areas, especially health care facilities, and insufficiently trained health care professionals (Jaswal 2010). There is also the need for a stronger complaints and grievance system that could help improve the coverage and quality of service.

Source: Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). 2012. *Evaluation of Implementation of Rashtriya Swasthya Bima Yojana in Select District of Bihar, Uttarakhand and Karnataka*. Bonn: GIZ.

Box 5.2: Pakistan's Benazir Income Support Program

Pakistan's Benazir Income Support Program (BISP), a federal program created by a parliamentary act in 2010, is an unconditional cash transfer program designed to cushion the impact of economic hardship on the poor and most vulnerable. The BISP has become the national flagship social safety net program.

In the short to medium term, the BISP also serves as a platform for directing beneficiaries to various other social assistance programs, including a conditional cash transfer program, complementary poverty exit programs, health insurance programs, and workforce programs. The graduation strategy of the BISP provides employment, vocational training, and credit facilities to beneficiaries as they leave the unconditional cash transfer program.

The families eligible for BISP's basic program of safety-net–oriented cash transfers represent the poorest 21% of the country's population. Female applicants in households with a family income of less than PRs6,000 ($64) per month, widowed or divorced women without adult male members in their family, physically or mentally ill persons in the family, or any family member suffering from chronic diseases are eligible for BISP basic benefits. Currently, it is providing cash assistance to 4.8 million families, which represent almost 18% of the entire population.

The program seeks to cover almost 40% of the population living below Pakistan's national poverty line. Within the first year of its establishment, the BISP was reaching more beneficiaries than the two previous social protection programs, Pakistan Bait-ul-Mal and Zakat. By its third year, it was reaching over 3 million beneficiaries.

Compared with existing social safety nets, the BISP is much larger in size and employs a well-designed targeting system for beneficiary identification and the provision of targeted subsidies. Enrolled families are paid cash assistance of PRs1,200 ($39) per month on a quarterly basis.

Almost all payments are made through two main delivery mechanisms: 15% of the payments are made through money orders delivered directly to the recipients via Pakistan Post and 76% of the payments are delivered through BISP debit cards. The BISP benefit amount has to meet basic needs so that family members are not discouraged from seeking work to improve their living circumstances.

Source: ADB. 2015. *Pakistan: Updating and Improving the Social Protection Index*. Consultant's report. Manila (TA-REG 7601).

For the former, the disaggregated SPI is 0.04%, while for the latter, it is 0.03% (Elsewhere in this report, the sum of these two percentages is rounded up to 0.1% of GDP per capita).

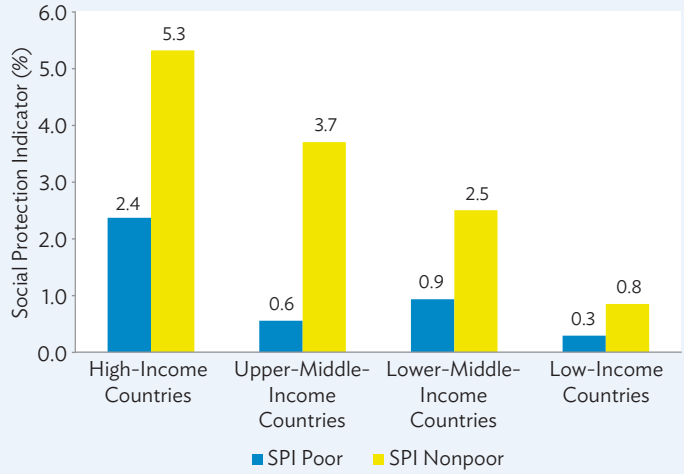
To some extent, this outcome for labor market programs is expected since the underemployed tend to be poor. It may also be driven by the self-targeting mechanism used in cash- or food-for-work programs. These programs use low wages as a means to solicit participation among the poorest segments of the population. However, the sample is so small that no firm conclusions can be drawn.

The Social Protection Indicator and Poverty by Country Income Group

This subsection examines social protection disparities between the poor and the nonpoor in accordance with countries grouped by income level (Figure 5.2).

As previously noted, the average SPI is 3.7% of GDP per capita for the 25 Asian countries covered by this report. For the nonpoor, the SPI is 2.8%, while for the poor it is only 0.9%. For high-income countries only, the overall average

Figure 5.2: Social Protection Indicator by Income Group and Poverty Status, 2012



SPI = Social Protection Indicator.
Source: ADB estimates based on 2015 SPI country reports.

SPI is equivalent to 7.7% of GDP per capita, with the disaggregated SPI for the nonpoor 2.2 times higher than that for the poor (5.3% versus 2.4%).[6] The ratio of these two disaggregated SPIs is the lowest among the four country income groups. This slightly more equitable outcome relative to that for other income groups is driven mostly by the advantages that the poor receive through both social assistance and labor market programs.

In contrast, the outcomes for upper-middle-income countries are much less equitable. While the overall average SPI is 4.3% of GDP per capita, the disaggregated SPI for the nonpoor is 3.7% and for the poor it is a mere 0.6%. Thus, the ratio of the two disaggregated SPIs is about 1:6.1, the highest ratio among the four income groups, which is attributable mostly to a sharp differential between the nonpoor and the poor in the access to social insurance.

In lower-middle-income countries, the ratio of the SPI of the nonpoor to the SPI of the poor is about 2.8. While the overall average SPI for everyone is 3.4% of GDP per capita, the disaggregated SPI for the nonpoor is 2.5% and that for the poor is 0.9%. This inequitable outcome is generated exclusively by the advantage that the nonpoor enjoy in the access to social insurance. In contrast, there appears to be fairly equitable outcomes for both social assistance and labor market programs.

In the small group of low-income countries, the overall average SPI is quite low at 1.1% of GDP per capita. The disaggregated SPI for the nonpoor is 0.8%, while that for the poor is a mere 0.3%, producing a ratio of 1:2.7. This result stems overwhelmingly from the fact that the poor have virtually no access to social insurance in low-income countries.

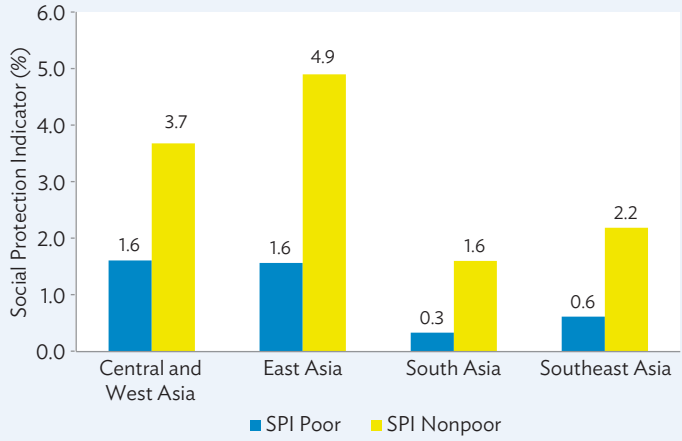
These results suggest that there is little apparent relationship between the income levels of countries and the access of the poor to social protection. Where the poor generally fare worse, this result is attributable to their lack of access to social insurance.

The Social Protection Indicator and Poverty by Region

This subsection examines disparities in the access of the poor and nonpoor to social protection across regions (Figure 5.3). The four regions that are examined here are Central and West Asia, East Asia, South Asia, and Southeast Asia.

[6] The ratio is computed as 5.3 divided by 2.4.

Figure 5.3: Social Protection Indicator by Region and Poverty Status, 2012



SPI = Social Protection Indicator.
Source: ADB estimates based on 2015 SPI country reports.

As indicated earlier, the overall disparity in Asia between the SPIs of the poor and the nonpoor is 1:3.1. In this context, the disparity is less acute between the poor and the nonpoor in Central and West Asia. For this grouping of transition economies, the SPI for the poor is 1.6% and that for the nonpoor is 3.7%, producing a ratio of only 1:2.3, which is well below the overall average for Asia.

This result is driven largely by the relatively low disparity between the poor and the nonpoor in their access to social insurance, and the relative equality in the access of these two groups to social assistance. Moreover, the poor appear to have relatively more access to labor market programs than the nonpoor, though the SPI for the poor is only 0.1%.

The disparity between the poor and the nonpoor in access to social protection in East Asia, which includes high-income countries such as Japan and the Republic of Korea as well as transition economies such as the PRC and Mongolia, is on par with Asia's average. The SPI for the poor in this region is 1.6% and the SPI for the nonpoor is 4.9%, thus generating a ratio of 1:3.1. The poor have greater access than the nonpoor to social assistance in East Asia, while the region's SPI for the poor for labor market programs is the highest in Asia at 0.2%.

The sharpest disparities between the poor and nonpoor are found in South Asia. The SPI for the poor in this region is only 0.3%, while that for the nonpoor is

1.6%. While both SPIs are relatively low, the ratio of the two is 1:5, the highest in Asia. This result is driven predominantly by the very limited access of the poor to social insurance in South Asia. At the same time, there does not appear to be wide disparity between the access of the poor and the nonpoor to social assistance, while there appears to be rough equality in the access of these two groups to labor market programs.

The second-highest regional disparity between the poor and the nonpoor in access to social protection is in Southeast Asia. While the overall SPI for the poor is 0.6%, the SPI for the nonpoor is 2.2%. Thus, the ratio of the two SPIs is 1:3.7. Southeast Asia's differential is driven exclusively by the poor's lack of equitable access to social insurance, where the disparity is almost as high as in South Asia. In contrast, the poor have relatively greater access than the nonpoor to both social assistance and labor market programs in Southeast Asia.

Gender Dimension of the Social Protection Indicator

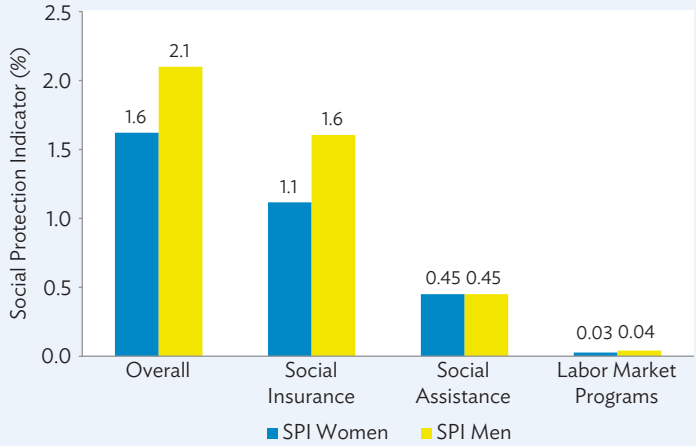
The respective SPIs for women and men are closer to each other than those for the poor and nonpoor (Figure 5.4). However, women represent a larger proportion of the population than the poor do. In fact, women outnumber men in certain countries, including in Armenia, Georgia, and Japan.

In any case, the overall SPI for women is equivalent to 1.6% of GDP per capita, while that for men is equivalent to 2.1% of GDP per capita. This absolute gap of 0.5 percentage points is entirely accounted for by the difference in access of women and men to social insurance, for which the disaggregated SPI for men is equivalent to 1.6% of GDP per capita, while that for women is equivalent to only 1.1%.

This differential can be explained, to some degree, by lower labor force participation rates among women. Employment is critical to accessing social insurance since such programs are generally based on contributory schemes. Expanding maternity benefits, which are part of social insurance and are targeted exclusively at women, could help narrow disparities in access to this form of social protection. However, SPI data suggest that such programs are largely confined to richer countries and transition economies.

Azerbaijan does support a significant program for maternity benefits, which reaches about 10% of all beneficiaries of social insurance (Box 5.3). However, this program's expenditures are not large.

Figure 5.4: Social Protection Indicator by Gender and Program, 2012



SPI = Social Protection Indicator.
Source: ADB estimates based on 2015 SPI country reports.

Box 5.3: Maternity Benefits in Azerbaijan

Azerbaijan's State Social Security Fund provides maternity benefits as a lump sum benefit for women who are pregnant. The government also favors creating special labor conditions for pregnant women and nursing mothers such as breaks for infant breastfeeding.

Women engaged in agricultural production are provided with maternity leave for 140–180 calendar days. Women in other economic sectors are provided with 126–140 calendar days depending on whether there are complications during delivery. Women who have worked and contributed to the State Social Protection Fund can also receive child care benefits for children below 3 years of age. In addition, employed mothers are entitled to take 3 years' leave of absence from employment.

In 2012, expenditures on maternity benefits in Azerbaijan comprised 1.0% of all expenditures on social insurance. These benefits reached 174,000 beneficiaries, or 9.8% of all social insurance beneficiaries.

Source: ADB. 2015. *Azerbaijan: Updating and Improving the Social Protection Index*. Consultant's report. Manila (TA-REG 7601).

Figure 5.4 shows that women and men appear to have equal in access to social assistance. Both gender-disaggregated SPIs are about 0.45% of GDP per capita. But the overall impact of social assistance is relatively modest.

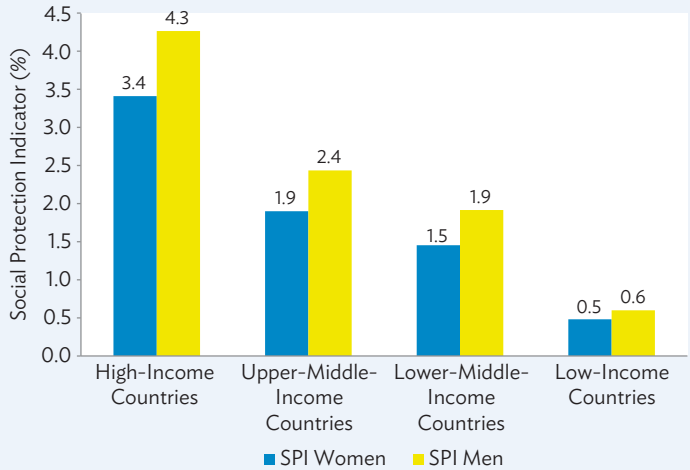
Men appear to do slightly better in accessing active labor market programs. The gender-disaggregated SPI for such programs is 0.04% for men and 0.03% for women. But the figures for both groups are very small indeed at less than one-tenth of those for social assistance (Elsewhere in this report, the sum of these two percentages is rounded up to 0.1% of GDP per capita).

Gender and the Social Protection Indicator by Income Group

This subsection analyzes differences in the SPI by income groups of countries for women versus men (Figure 5.5). For Asia as a whole, the disaggregated SPI for men is 2.1% of GDP per capita, while that for women is 1.6%. The ratio of these two SPIs is a little over 1:1.3.

In high-income countries, the overall average SPI is 7.7% of GDP per capita. The disaggregated SPI for men is 4.3%, while that for women is 3.4%. Rounded up,

Figure 5.5: Social Protection Indicator by Gender and Income Group, 2012



SPI = Social Protection Indicator.

Source: ADB estimates based on 2015 SPI country reports.

the ratio of the two is 1:1.3. This ratio is driven by the advantage that men enjoy in access to both social insurance and social assistance.

In upper-middle-income countries, the overall average SPI is 4.3% of GDP per capita. The disaggregated SPI for men is 2.4%, while that for women is 1.9%. Again, the ratio of these two, rounded up, is 1:1.3. This result is determined largely by the preferential access that men enjoy to social insurance. Men also benefit from greater access to labor market programs, but the small weight of this advantage renders it inconsequential.

The overall average SPI in lower-middle-income countries is 3.4%. The disaggregated SPI for men is 1.9%, while that for women is 1.5%. Once again, the ratio of these two disaggregated SPIs, rounded up, is 1:1.3. In this instance, men's advantage is attributable exclusively to greater access to social insurance.

In low-income countries, the overall average SPI is only 1.1%—indicating a general lack of access to social protection for both women and men. The disaggregated SPI for men is 0.6%, while the corresponding SPI for women is 0.5%. The ratio of these two SPIs is 1:1.2, the lowest in Asia. Thus, there appears to be slightly more gender equity in low-income countries, albeit at much lower levels of general access to social protection. Women in low-income countries generally enjoy an advantage in access to social assistance, but they experience more limited access to social insurance.

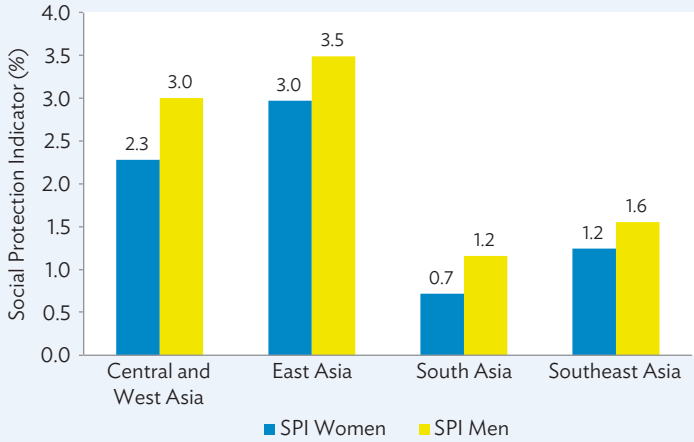
Gender and the Social Protection Indicator by Region

This subsection examines disparities in the access of women and men to social protection across regions (Figure 5.6). As noted earlier, across Asia as a whole, the SPI for women is 1.6%, while that for men is 2.1%. Thus, the ratio of the two is 1:1.3.

This overall ratio of 1:1.3 is reflected in roughly similar averages in Central and West Asia and in Southeast Asia. In Southeast Asia, men have greater access to social protection across all three major types of programs (social insurance, social assistance, and labor market programs). In contrast, men in Central and West Asia have greater access than women to social insurance and labor market programs, but less access than women to social assistance.

In South Asia, women have less access than men to social protection. While the SPI for women is only 0.7%, the SPI for men is 1.2%. The ratio of these two percentages is about 1:1.6, the highest in Asia. What is striking is that men have

Figure 5.6: Social Protection Indicator by Gender and Region, 2012



SPI = Social Protection Indicator.
Source: ADB estimates based on 2015 SPI country reports.

superior access to social insurance. The disparity between men and women in access to social insurance is the greatest in South Asia. In contrast, however, women appear to have roughly equal access to social assistance.

In East Asia, there appears to be marginally less disparity between women and men in access to social protection than in other regions of Asia. While the SPI for women is 3.0%, that for men is 3.5%. Thus, the ratio of the two is 1:1.2. In East Asia, the disparity between women and men in access to social insurance is among the lowest in Asia (along with Southeast Asia). Strikingly, there also appears to be rough equality in the access of women and men to social assistance.

There are interesting patterns of gender disparity across regions in Asia. Equality of access to social protection between women and men appears to be slightly better in East Asia, which is home to rich countries such as Japan and the Republic of Korea as well as transition economies such as the PRC and Mongolia. At the same time, the gender disparity in access to social protection appears to be greatest in South Asia. In both East Asia and South Asia, women's access to social insurance appears to be the decisive factor in either reducing the disparity or increasing it.

In summary, this chapter reviewed the disaggregation of the SPI into two sets of subgroups: the poor and the nonpoor, and women and men. Overall, the nonpoor are the main beneficiaries of social protection; the SPI for the poor is equivalent to 0.9% of GDP per capita, while the SPI for the nonpoor is equivalent to 2.8% of GDP per capita. Access to social insurance is the primary reason for this difference. While there is little relationship between the income levels of countries and the access of the poor to social protection, there is less disparity between the SPIs for the poor and the nonpoor in Central and West Asia, a grouping that contains a number of transition economies. Meanwhile, the sharpest disparities are found in South Asia.

The respective SPIs for women and men are more similar than those for the poor and nonpoor. The gap that does exist is the result of women having less access than men to social insurance, which is the product of women's lower labor force participation rates. Expanding maternity benefits could help increase women's access to social insurance—though this would not make a decisive difference. Finally, there is slightly more SPI gender equity in low-income countries, though with much less overall access to social protection.

The next chapter includes a discussion on progress that has been made in social protection within and across 14 countries between 2004–2005 and 2012.

6 Progress in Social Protection over Time

This chapter presents comparisons of the SPI over time for 14 countries in Asia for which the SPI project has been able to collect data for the period under review. Data for all 14 countries are available for 2012, while the earlier year for which comparable data are available varies between 2002 and 2005.

Only one country, Viet Nam, has 2002 data as its earlier year, and only two, Bangladesh and Indonesia, have 2003 data. There are four countries with 2004 data: India, the Republic of Korea, Malaysia, and Mongolia. The other seven countries in the sample use 2005 data for the earliest year. For convenience, this chapter will generally refer to 2004–2005 as the earlier period for comparison when discussing either several or all 14 of the countries as a group.

The data for 2004–2005 for this exercise were gathered by an earlier ADB project. For background information, see the 2006 and 2008 publications of *Social Protection Index for Committed Poverty Reduction*. The project that produced these two reports assembled country-level data over a number of years, which is why the first year for comparison is different for a number of countries.

While the construction of the SPI in the earlier project differs from that used for this report, the former's basic data on expenditures, beneficiaries, and potential beneficiaries remain comparable. Thus, the main task has been to place the earlier set of data within a new format.

Drawing on the earlier data, this report finds that between 2004–2005 and 2012, the 14 countries as a group made discernible progress on social protection. The (unweighted) average SPI for the whole group increased from 2.7% of GDP per capita to 3.2%, a gain of about 0.5 percentage points (Table 6.1).

Table 6.1: Social Protection Indicator, 2004–2005 and 2012 *(%)*

Country	2004–2005	2012	Percentage Points Increase (Decrease)
Bangladesh**	1.0	1.1	0.1
Cambodia	0.5	1.2	0.7
China, People's Rep. of	2.8	4.3	1.5
India*	1.4	1.3	(0.1)
Indonesia**	1.1	1.2	0.1
Korea, Rep. of*	4.8	5.1	0.3
Malaysia*	4.1	4.2	0.1
Mongolia*	3.2	4.8	1.6
Nepal	1.1	1.7	0.6
Pakistan	1.5	1.4	(0.1)
Philippines	1.4	2.2	0.8
Sri Lanka	3.1	2.7	(0.4)
Uzbekistan	9.3	9.3	0.0
Viet Nam***	2.3	4.0	1.7
Average	**2.7**	**3.2**	**0.5**

Notes:
* Figures refer to 2004.
** Figures refer to 2003.
*** Figures refer to 2002.
Source: ADB estimates based on 2005 and 2015 Social Protection Indicator country reports.

Social insurance and social assistance each accounted for about 0.2 percentage points of the overall increase. There was also progress on labor market programs during the review period, but the percentage point increase was only 0.01 (Table 6.2).

Significant Country Progress

Out of the sample of 14 countries, 6 countries made significant progress on social protection between 2004–2005 and 2012, and thus had a pronounced impact on the overall trend. These include Cambodia, the PRC, Mongolia, Nepal, the Philippines, and Viet Nam. Though the Republic of Korea already had a relatively high SPI in 2005, it also made modest progress.

Table 6.2: Social Protection Indicator by Program, 2004–2005 and 2012 (%)

	Social Insurance		Percentage Points Increase (Decrease)	Social Assistance		Percentage Points Increase (Decrease)	Labor Market Programs		Percentage Points Increase (Decrease)
	2004–2005	2012		2004–2005	2012		2004–2005	2012	
Bangladesh**	0.2	0.4	0.2	0.6	0.3	(0.3)	0.2	0.3	0.1
Cambodia	0.2	0.3	0.1	0.2	0.8	0.6	0.03	0.03	0.0
China, People's Rep. of	2.4	3.7	1.3	0.2	0.5	0.3	0.2	0.1	(0.1)
India*	0.5	0.5	0.0	0.7	0.6	(0.1)	0.3	0.3	0.0
Indonesia**	0.7	0.4	(0.3)	0.4	0.8	0.4	0.003	0.03	0.0
Korea, Rep. of*	4.3	4.0	(0.3)	0.4	0.9	0.5	0.1	0.1	0.0
Malaysia*	3.8	3.7	(0.1)	0.3	0.4	0.1	0.03	0.03	0.0
Mongolia*	2.3	2.3	0.0	0.8	2.4	1.6	0.03	0.02	(0.01)
Nepal	0.9	0.9	0.0	0.2	0.7	0.5	0.1	0.02	(0.08)
Pakistan	1.4	1.1	(0.3)	0.1	0.2	0.1	0.03	0.02	(0.01)
Philippines	1.3	1.8	0.5	0.1	0.4	0.3	0.01	0.01	0.0
Sri Lanka	2.4	2.3	(0.1)	0.6	0.4	(0.2)	0.1	0.02	(0.08)
Uzbekistan	6.8	7.5	0.7	2.5	1.8	(0.7)	0.005	0.001	(0.004)
Viet Nam***	1.6	3.3	1.7	0.7	0.6	(0.1)	0.02	0.1	0.08
Average	**2.1**	**2.3**	**0.2**	**0.6**	**0.8**	**0.2**	**0.07**	**0.08**	**0.01**

Notes:
* Figures refer to 2004.
** Figures refer to 2003.
*** Figures refer to 2002.

Source: ADB estimates based on 2012 Social Protection Indicator country reports.

The trends in these seven countries indicate that all of them increased their social protection expenditure per potential beneficiary faster than their GDP per capita. The first ratio is the numerator of the SPI and the second is the denominator. Hence, the numerator advanced faster than the denominator.

Cambodia started at a very low level of social protection. In 2005, its SPI was equivalent to a mere 0.5% of GDP per capita. By 2012, this level had risen to 1.2%. Though this latter level was still low, reaching it represented a significant achievement in relative terms.

Nepal also started at a relatively low level of social protection. In 2005, its SPI represented only 1.1% of GDP per capita. By 2012, it had attained a level of 1.7%. This represented noticeable progress. At the same time, Cambodia and Nepal have both remained relatively poor countries.

The Philippines also began with a fairly low SPI of only 1.4% of GDP per capita in 2005. By 2012, its SPI had improved to 2.2%, a gain of 0.8 percentage points.

The PRC and Mongolia, both of which are transition economies in East Asia, achieved startling progress between 2004–2005 and 2012. The SPI of the PRC rose dramatically from 2.8% of GDP per capita in 2005 to 4.3% in 2012, an increase of 1.5 percentage points. Mongolia's SPI started at a higher level of 3.2% of GDP per capita in 2004 and made even more progress than the PRC. By 2012, its SPI had reached 4.8% of GDP per capita, a gain of 1.6 percentage points. Current economic conditions in Mongolia suggest, however, that it might face significant difficulties in maintaining such a level of achievement.

Viet Nam started at a level of social protection below that of both the PRC and Mongolia. In 2002 (when its data were collected), its SPI represented only 2.3% of GDP per capita. Over a slightly longer period of time than that for the PRC or Mongolia, Viet Nam's SPI rose by 1.7 percentage points, reaching 4.0% of GDP per capita in 2012.

The Republic of Korea enjoyed a level of social protection in 2005 that was already well above the sample's average. Its SPI was equivalent to 4.8% of GDP per capita, the second highest among the 14 countries, behind only Uzbekistan's SPI. But the Republic of Korea had made further progress by 2012, with its SPI reaching 5.1% of GDP per capita, largely on the basis of expanding social assistance.

Lack of Country Progress

In contrast to the achievements of the seven countries mentioned, the SPIs for six countries remained basically the same over the period from 2004–2005 to 2012. In other words, increases in their social protection expenditures (relative to potential beneficiaries) only managed to roughly keep pace with their increases in GDP per capita.

The SPI for Uzbekistan, which was already equivalent to 9.3% of GDP per capita in 2005, remained the same in 2012. Notably, this level was still easily the highest among the 14 countries for both years.

Malaysia also had basically the same SPI in both 2004 and 2012 at about 4.1%–4.2% of GDP per capita. While this level was the third highest in the sample in 2004–2005, behind the Republic of Korea and Uzbekistan, Malaysia had slipped to fifth highest by 2012, with both the PRC and Mongolia overtaking it.

Bangladesh, India, Indonesia, and Pakistan made little or negative progress on social protection during the review period even though their initial levels were relatively low. Bangladesh's SPI rose from 1.0% of GDP per capita in 2005 to only 1.1% in 2012. In 2003, Indonesia's SPI was 1.1% while it had risen to only 1.2% by 2012.

The SPIs for both India and Pakistan declined slightly between 2004–2005 and 2012. India's SPI slipped from 1.4% of GDP per capita to 1.3%, while Pakistan's SPI dipped from 1.5% to 1.4%. A caveat on the interpretation of the data for both of these countries, as well as for Indonesia, is that the SPI project was able to collect data on social protection only at the level of the central government and not at the provincial level, where additional social protection programs exist.

While both Pakistan and India suffered incremental declines in social protection, another South Asian country, Sri Lanka, experienced a more pronounced drop. In 2004–2005, its SPI was equivalent to 3.1% of GDP per capita, the fifth-highest level among the 14 countries for which both 2004–2005 and 2012 data were available. By 2012, this had declined to 2.7% of GDP per capita, the seventh-highest level among the 14 countries.

The level of social protection in most of the countries of South Asia—including Bangladesh, India, Pakistan, and Sri Lanka—generally stagnated between 2004–2005 and 2012. In fact, three of them experienced some decline in social protection relative to GDP per capita. Nepal was the one notable exception since it registered significant progress during this period.

In contrast, most of the transition economies among the 14 in this report's sample progressed fairly rapidly, particularty the PRC, Mongolia, and Viet Nam. Uzbekistan made no progress relative to GDP per capita.

Significant Progress by Major Programs

This section follows up on the narrative in the previous section with a focus on relative progress across the three major social protection programs (social insurance, social assistance, and labor market programs). The intent is to understand more clearly how some countries were able to make progress during the review period, while others were unable to do so.

Among the seven countries, including the Republic of Korea, which made progress on the overall SPI between 2004–2005 and 2012, four made significant progress on social assistance, two made notable progress on both social assistance and social insurance, and one made substantial progress on social insurance (Table 6.2).

While Cambodia's overall SPI improved from 0.5% of GDP per capita to 1.2% between 2005 and 2012, its most noteworthy progress was on social assistance. The SPI for this program increased from 0.2% of GDP per capita to 0.8%. During this period, the government significantly increased cash and in-kind transfers (especially food) to the poor and other vulnerable groups.

Between 2004 and 2012, Mongolia made even more dramatic progress on social assistance than Cambodia. Its SPI for this program jumped from only 0.8% to 2.4% of GDP per capita. This leap was due, in large measure, to the Human Development Fund, which aggressively disbursed universal benefits financed by the country's booming mining sector. In 2011, every citizen of the country was entitled to receive a cash transfer amounting to about $15, which accounted for a sizeable share of the government's total budget. Economic trends since 2012 have led to erratic fluctuations in the country's revenues from its vast mineral wealth, leading to adjustments to such a broad form of social protection (Box 6.1).

Nepal's social protection progress has been limited to the expansion of social assistance. Its SPI for social insurance remained at 0.9% of GDP per capita between 2005 and 2012, while its SPI for social assistance rose from 0.2% to 0.7%. This increase was due largely to the expansion of cash transfer programs such as senior citizen allowances, single women allowances, and child grants (Box 3.4). Thus, even within the budget constraints dictated by a low level of GDP per capita, Nepal has managed to significantly expand social protection.

Box 6.1: Mongolia's Human Development Fund

In 2008, the Government of Mongolia established the Human Development Fund (HDF), which was mandated to use excess revenues from the country's mining sector for the economic and human development of the country. The fund made it legal for every citizen of Mongolia to hold, in effect, a share of the nation's mineral wealth. Initially, the state budget set aside each year a certain amount of money that could be drawn from this fund on the basis of the expected mining revenues.

The HDF's resources had originally been intended for investment, capital repairs, and reduction of the budget deficit, as well as the advancement of social welfare systems. However, its use soon became embroiled in Mongolia's election politics. In the 2009 presidential election, the two main parties—the Democratic Party and the Mongolian People's Revolutionary Party (since renamed the Mongolian People's Party)—pledged to distribute up to MNT1.5 million ($1,060) to every citizen from the country's mining wealth. However, because of a sizable shortfall in actual revenues, the Parliament in 2009 authorized the distribution of only MNT120,000 ($92) as a cash grant for each citizen.

In 2011, with annual economic growth at almost 7%, the Parliament stipulated that MNT805 billion ($567 million) from the fund should be distributed to all citizens for health insurance and to students for tuition fees. The cash payment per citizen was set at MNT21,000 ($15). Although the per capita amount was small, the total amount distributed in 2011 represented almost 40% of the central government's budget. Continuing this trend would clearly be unsustainable, especially since mineral revenues have a tendency to fluctuate widely.

Both the International Monetary Fund and the World Bank criticized the 2011 allocation as being exceedingly expansionary and the cause of the rise in the country's inflation rate to 14%. Moreover, the universal nature of the disbursement of benefits raised equity concerns since the rich as well as the poor were able to access these benefits.

In 2012, the Parliament stipulated that the HDF should concentrate on making cash disbursements only to children (up to 18 years of age). Each month every Mongolian child now receives MNT20,000 ($10).

Source: ADB. 2015. *Mongolia: Updating and Improving the Social Protection Index*. Consultant's report. Manila (TA-REG 7601).

The dynamics in the Republic of Korea is interesting because between 2004 and 2012 the country experienced a noticeable decline in social insurance along with a marked increase in social assistance. Social assistance rose from 0.4% to 0.9% of GDP per capita, while the much larger social insurance program

dropped from 4.3% to 4.0% due to the increasing number of beneficiaries receiving much smaller benefits (ADB 2015aa). The largest social assistance programs of the Republic of Korea are health assistance, the Basic Old Age Pension, and subsidies for nursery care, all of which expanded during the review period.

The Philippines is noteworthy for having made progress on both social assistance and social insurance between 2005 and 2012. The country's SPI for social assistance increased from only 0.1% of GDP per capita to 0.4%. This advance was due largely to the expansion of conditional cash transfers targeted at improving the health, nutrition, and education of children. In 2012, this program reached about 14 million beneficiaries (ADB 2015z).

But the Philippines' most pronounced progress was on social insurance, where its SPI rose to 1.8% of GDP per capita from 1.3%. This progress was due, in large part, to the expansion of PhilHealth, a universal health insurance program, which was broadened to benefit over 44 million Filipinos (Box 6.2). Though such an advance has been heavily subsidized, it still represents a remarkable achievement for a lower-middle-income country.

The PRC also made progress on both social insurance and social assistance between 2005 and 2012, much more so on social insurance. Its SPI for social insurance rose from 2.4% of GDP per capita to 3.7%. This progress was due to its substantial advances in expanding both health insurance and rural and urban pensions (refer to Box 4.2). Meanwhile, the PRC's much smaller social assistance SPI edged up from 0.2% of GDP per capita to 0.5%.

Like the PRC, Viet Nam is notable for having made large strides in social insurance. Its SPI for this type of program more than doubled, jumping from 1.6% of GDP per capita in 2002 to 3.3% in 2012. During the same period, its much smaller SPI for social assistance declined marginally.

Viet Nam's expansion of social insurance relied on extending health insurance to a much larger proportion of its population. By 2012, compulsory health insurance covered about 54 million Vietnamese and voluntary health insurance covered another 5.5 million. Together, these two sets of beneficiaries represented about two-thirds of Viet Nam's total population (Box 6.3). Yet, such progress has not been without problems. For example, beneficiaries still face significant out-of-pocket expenditures for health care and the government continues to substantially subsidize the system (ADB 2015al).

Viet Nam is the only country besides Bangladesh that made any discernible progress on labor market programs during the review period. Its SPI for this program rose by 0.08 percentage point.

Box 6.2: Health Insurance in the Philippines

The Philippine Health Insurance Corporation (PhilHealth), established in 1995, is a tax-exempt government corporation attached to the Department of Health. PhilHealth implements the government health care program and covers workers in the public sector, private sector, and informal sector. It also covers overseas Filipino workers and the self-employed. The corporation endeavors to cover all Filipinos and has collaborated with local government units to enroll more families that otherwise would not have access to health services.

PhilHealth is compulsory in all provinces, cities, and municipalities nationwide. There are two programs under PhilHealth: the contributory National Health Insurance Program and the government-sponsored Health Insurance Program, which covers the poor and unemployed.

Eighty percent of the population are mandatorily covered by the program. Those employed in government and private sectors are covered through payroll deductions. Starting in 2013, all indigents, as included in the National Household Targeting System, were covered; and starting in November 2014, all senior citizens (60 years old and above) were automatically covered. Premiums are financed through sin taxes. The minimum premium contribution per annum is P2,400 ($57) for all member types.

PhilHealth's policy clearly states that health care providers are prohibited from charging the poor any fees over and above what will be reimbursed by the program's benefit package. The Government of the Philippines is mounting a credible effort to protect households against the financial effects of health expenditures.

There is still a significant share of households that forego health care because of high treatment costs. Filipino households also continue to shoulder substantial out-of-pocket expenditures, especially for catastrophic illnesses. Major reforms instituted in 2012 were designed to contain out-of-pocket spending and provide a greater degree of financial protection to households.

Source: ADB. 2015. *Philippines: Updating and Improving the Social Protection Index*. Consultant's report. Manila (TA-REG 7601).

The efforts of both the PRC and Viet Nam in advancing major programs of social insurance are remarkable. Their practical strategies for doing so merit close scrutiny. One aspect of their strategies, especially for the PRC, was that although benefits were dramatically expanded to reach a larger proportion of potential beneficiaries, whether among the entire population or the older people, the size of the benefits that were distributed remained relatively modest. To advance such programs, the government still had to engage in a significant degree of subsidization.

Box 6.3: Viet Nam's Health Insurance

A new Master Plan for Universal Health Insurance coverage in Viet Nam was approved in 2012 by the Prime Minister. It aimed to expand insurance coverage to at least 70% of the population by 2015 and 80% by 2020.

To reach such goals, the government provides full or partial coverage (of up to 30%) for children younger than 6 years old; members of poor and near-poor households; ethnic minorities; people living in poor districts; people who contributed to the Revolution, and in-service officers and career men of the People's Army, as well as their relatives. The government also subsidizes part of the health insurance premium for pupils; students; and members of agricultural, forestry, and fishery households that have incomes below the national average.

There has been noticeable progress in coverage since the national Health Insurance Law was introduced in 2009. Between 2011 and 2013, the total number of health insurance participants increased from 57.0 million to 62.3 million, or from 65% to 69% of the total population. During the same period, the total number of compulsory health insurance beneficiaries increased from 52.0 million to 56.2 million, accounting for about 90% of all beneficiaries. At the same time, the number of participants in the much smaller program of voluntary health insurance reached 6.1 million in 2013, or a little less than 10% of all participants. However, this latter number is rising.

Health expenditures increased by an annual rate of 18.3% from 2011 to 2013. The expenditures on compulsory health insurance increased from about D13.8 trillion ($620 million) to D18.9 trillion ($850 million), with an annual increase of 15.7%, while the annual increase for voluntary health insurance was about 21.8%.

There are a large number of special target groups that receive full or partial government subsidies. In 2013, the government subsidized payments for health insurance cards covering 45.6 million people. This number represented 72% of all participants in the program. Of this total, 28.8 million were fully subsidized and 16.8 million were partially subsidized.

Between 2011 and 2013, an average of about 14 million poor people were subsidized. Total expenditures for this group had reached D14.6 trillion ($674 million) by 2013. Obviously, continuing to provide such subsidies will prove to be expensive. In effect, Viet Nam's system of health insurance represents a cross between health insurance and health assistance. Higher enrollment rates in Viet Nam's health system will not improve financial protection and promote greater equity if households' out-of-pocket expenditures remain high. In 2010, for example, out-of-pocket expenditures represented about 57% of total health spending in the country.

The Master Plan for Universal Health Insurance that was adopted in 2012 by the government seeks to reduce this out-of-pocket percentage to 40% by 2015, while boosting the total enrollment rate to 70%. As a result, the subsidization of the system will undoubtedly have to increase.

Source: ADB. 2015. *Viet Nam: Updating and Improving the Social Protection Index*. Consultant's report. Manila (TA-REG 7601).

Lack of Progress by Major Programs

Among the three countries—Bangladesh, Indonesia, and Malaysia—for which the SPI rose by only 0.1 percentage point of GDP per capita, experiences varied with regard to both social insurance and social assistance.

In Indonesia, for example, there was an ambitious expansion of the Jamkesmas program of social health insurance—even though the country's standard social insurance programs declined at the same time. Jamkesmas reached 76.4 million beneficiaries in 2012 out of a total population of over 247 million.

Originally, Jamkesmas was supposed to be targeted at the extreme poor, who constituted only 28.6 million people in 2012. Yet, the program moved beyond the extreme poor to extend coverage to the moderate poor and even the near poor. This helps explain the large number of its beneficiaries by 2012 (Box 6.4). But this broad expansion and the degree of subsidization of coverage raise issues about whether this program is a hybrid between social insurance and social assistance.

Bangladesh achieved its own modest advance in the SPI through expanded social insurance. However, a concurrent noticeable decline in its social assistance held back its overall progress. Nevertheless, Bangladesh is distinctive in achieving noticeable progress on active labor market programs such as the Employment Generation Program for the Ultra Poor, the Food for Work Program, and the Test Relief Program. Together, these three programs reached over 10 million beneficiaries in 2012. Since such programs are usually modest as well as rare, this achievement is remarkable.

Uzbekistan represents an interesting case. Even though its SPI remained at the high level of 9.3% of GDP per capita between 2005 and 2012, this appearance of stability disguises a significant increase in social insurance combined with an equivalent decrease in social assistance. The share of pensions in Uzbekistan's total social protection expenditures rose from about 70% to 80% between 2009 and 2012, while the share of social assistance programs declined. The share of expenditures on child welfare, the country's largest form of social assistance, dropped from about 20% to 14% of all social protection expenditures during this same period.

Among the three countries in South Asia—India, Pakistan, and Sri Lanka—that experienced any discernible decline in social protection during the review period, Sri Lanka's case is the most noteworthy since it registered modest declines in social protection across all three major types of programs.

Box 6.4: Indonesia's Health Insurance Program (Jamkesmas)

Jamkesmas was initiated as a social health insurance program to provide health care to the poor and near poor. It is fully financed by the central government and administered by the Ministry of Health. The program's overriding aim is to guarantee that all participants are able to obtain health care and protection. The program is geared to protect the poor and near poor from a worsening of their poverty status as a result of health care costs. It guarantees access to health facilities under the Jamkesmas' health care service providers, including public health care centers and hospitals.

Although the initial coverage of Jamkesmas among poor and near-poor households was low, it has increased over time. The World Bank has noted, for example, that Jamkesmas' coverage among the lowest three income deciles had increased from 16.5% to 43.0% between 2004 and 2010. By 2012, SPI data suggested that about 76 million people—or about one-third of the total population—benefited from the program.

The ultimate aim of Jamkesmas is to provide universal coverage. But one of the major difficulties is expanding coverage to nonpoor households in the informal sector. Another hurdle is the lack of incentives to improve the efficiency and effectiveness with which services are provided since the program relies heavily on providing implicit subsidies for the supply of services and its payments to providers are based almost entirely on a fee-for-service basis, thereby removing any incentive to improve the efficiency of delivery.

The benefits of Jamkesmas range widely from health promotion, preventive care, curative services, and rehabilitative care to the provision of medications and other nondurable health support. Participants are also guaranteed to obtain in-patient care up to a certain level as well as emergency health care. However, Jamkesmas does not cover services such as cosmetic surgeries, general health checkups, and fertility treatment.

The World Bank (2012) has argued that the utilization of Jamkesmas by poor and near-poor households is low since the insurance does not cover the costs of accessing these health care services. These include the costs of transport, child care, food and lodging for companions or chaperones, as well as the loss of wages or salaries. In addition, the poor and near poor lack knowledge about the benefits offered by the program.

There are also concerns that the program has not been well targeted. According to surveys, about half of the beneficiaries are not poor or near poor, and there is still substantial mis-targeting and leakages in the program. The criteria used to identify eligible households vary across districts and there is no incentive for local governments to improve their targeting. Usually, beneficiaries enroll when they need to use health services. Many rural and remote areas remain disadvantaged, especially in terms of the availability of adequate health facilities.

Source: ADB. 2015. *Indonesia: Updating and Improving the Social Protection Index*. Consultant's report. Manila (TA-REG 7601).

Progress on Depth and Breadth

Investigating trends in both the depth and breadth of coverage of social protection provides us with an additional metric for judging the nature of progress across the SPI subsample of 14 Asian countries. Overall, the depth of coverage across all 14 countries between 2004–2005 and 2012 edged down by almost 2 percentage points. At the same time, the breadth of coverage across the sample expanded by about 20 percentage points.

What is also striking about the changes in these two dimensions over time in the seven countries that made measurable progress on social protection between 2004–2005 and 2012 is that all of them made progress on expanding the breadth of coverage (Table 6.3).

In these countries there were corresponding declines in the depth of coverage, though not of an equivalent nature. Hence, more potential beneficiaries of social protection were being covered without compromising much on the average amount of benefits.

In the other six countries that made progress on social protection, there was some loss in the depth of coverage. For example, the PRC achieved extraordinary progress on its breadth of coverage in expanding it from about 27% of all potential beneficiaries to about 95%. This is attributable mainly to the expansion of health insurance and rural and urban pensions (Box 4.2).

However, the PRC's depth of coverage dropped from the equivalent of about 10% of GDP per capita to 4.5%. Hence, the relatively shallow benefits conferred by its programs became even shallower. Its total expenditures on pensions for urban enterprise employees in 2012, its largest social protection program, were still over 8 times the level of expenditures on the relatively new program for rural and urban pensions. Yet the beneficiaries reached by the latter program were, by contrast, over 2.8 times more numerous. Thus, while there were many more beneficiaries of pensions in the PRC in 2012, there was not a corresponding increase in benefits per pensioner.

Viet Nam's experience was similarly noteworthy. Between 2002 and 2012, its breadth of coverage of potential beneficiaries of social protection expanded from only about 12% to almost 80%, mainly through advances in social insurance. This progress was achieved principally through the expansion of health insurance, both compulsory and voluntary. In 2012, health insurance covered about 59 million beneficiaries (Table A2.4 in Appendix 2). Meanwhile, since Viet Nam's expenditures on social insurance did not increase correspondingly,

Table 6.3: Social Protection Depth and Breadth, 2004–2005 and 2012

Country	Depth			Breadth		
	2004–2005	2012	Percentage Points Increase (Decrease)	2004–2005	2012	Percentage Points Increase (Decrease)
Bangladesh**	6.6	7.8	1.2	15.8	13.6	(2.2)
Cambodia*	5.8	2.7	(3.1)	8.4	43.2	34.8
China, People's Rep. of	10.3	4.5	(5.8)	27.1	95.1	68.0
India*	5.8	4.1	(1.7)	24.8	32.7	7.9
Indonesia*	1.2	1.5	0.3	90.2	77.0	(13.2)
Korea, Rep. of*	5.3	4.4	(0.9)	90.8	114.9	24.1
Malaysia*	8.3	9.1	0.8	49.1	45.8	(3.3)
Mongolia*	6.3	4.6	(1.7)	50.6	103.6	53.0
Nepal	13.3	7.8	(5.5)	8.1	21.2	13.1
Pakistan	16.3	4.6	(11.7)	9.2	30.1	20.9
Philippines	2.2	2.1	(0.1)	62.9	107.0	44.1
Sri Lanka	5.2	5.9	0.7	59.3	45.4	(13.9)
Uzbekistan	21.8	36.3	14.5	42.5	25.6	(16.9)
Viet Nam***	19.0	5.0	(14.0)	12.1	79.7	67.6
Average	**9.1**	**7.2**	**(1.9)**	**39.3**	**59.6**	**20.3**

Notes:
* Figures refer to 2004.
** Figures refer to 2003.
*** Figures refer to 2002.
Source: ADB estimates based on 2015 Social Protection Indicator country reports.

the depth of coverage of its social protection dropped from the equivalent of 19% of GDP per capita to only 5%. Again, the modest benefits conferred by these programs became even more modest.

The strategies of the PRC and Viet Nam appear to have been to emphasize a dramatic initial expansion in the outreach of its social insurance programs even if the initial benefits that such programs could offer remain modest in the short term.

Lack of Progress on Depth and Breadth

The trends in Uzbekistan represent a contrast to those in both the PRC and Viet Nam with respect to the dynamics of breadth versus depth. As indicated before, its overall SPI remained equivalent to 9.3% of GDP per capita between 2005 and 2012. This is indeed a relatively high level. Yet, its depth of coverage rose from about 22% of GDP per capita to over 36%. At the same time, its breadth of coverage narrowed from reaching about 43% of all potential beneficiaries of social protection to only about 26%. In other words, fewer beneficiaries were receiving significantly larger benefits. This trend was attributable predominantly to its increase in expenditures on pensions.

Among the three countries—Bangladesh, Indonesia, and Malaysia—in which there was only marginal progress on social protection between 2004–2005 and 2012, there was a very similar trend on the depth and breadth of coverage: depth rose modestly and breadth declined, with the former only slightly outweighing the impact of the latter.

In countries where the SPI declined during the review period (India, Pakistan, and Sri Lanka), in some cases only marginally, there were also opposing trends with regard to depth and breadth. In both India and Pakistan, the depth of coverage declined slightly more proportionately than the breadth of coverage increased.

In Sri Lanka, the dynamics were quite different. Its overall depth of coverage rose only slightly, from 5.2% to 5.9% of GDP per capita. But its breadth of coverage dropped significantly, from about 59% of all potential beneficiaries to about 45%. This is why its overall SPI declined measurably. One apparent factor in Sri Lanka's case was a more than proportionate decline in assistance to the poor in recent years even as the poor, as a proportion of the total population, dropped to about 7% in 2012 from about 21% in 2005 (ADB 2013). There also appeared to be a more than proportionate decline in the number of vulnerable people benefiting from health assistance.

The analysis of the SPI data for 2004–2005 and 2012 for 14 countries reveals an overall expansion of social protection programs in Asia. Six countries made very substantial progress, including three transition economies—the PRC, Mongolia, and Viet Nam—and two low-income countries—Cambodia and Nepal. The Philippines is the remaining country to make notable progress.

Bangladesh, Indonesia, the Republic of Korea, Malaysia, and Uzbekistan either maintained or slightly improved their SPI during the review period; India and Pakistan experienced slight declines in their respective SPIs; and Sri Lanka's SPI

fell noticeably. The countries that made the most progress on the SPI between 2004–2005 and 2012 did so by expanding the breadth of their social protection programs. Countries that experienced a decline in their SPI might have raised their depth of coverage for some beneficiaries, particularly with regard to pensions, but they often lost ground on their breadth of coverage.

The next chapter concludes this report with a summary of findings and a discussion of the relevant policy implications.

7

Summing Up the Results

Primary Results

The SPI allows for the assessment of social protection as a system by looking at social protection as a whole. The SPI attaches a single value to a country's overall social protection system. Furthermore, it can be used to demonstrate the relative importance of the three major types of social protection programs—social insurance, social assistance, and labor market programs.

Chapter 1 presented the main results of the Social Protection Indicator for 2012. This chapter included the SPI for 38 countries in Asia and the Pacific. Thereafter, this report focused on the 25 countries in Asia, while a companion publication covered the 13 countries in the Pacific.

Higher-income countries in Asia tend to have higher SPIs such as Japan, the Republic of Korea, and Singapore. While there is a correlation between a country's level of GDP per capita and the level of its SPI, this correlation is not a strong one. Countries with roughly similar levels of GDP per capita have achieved significantly different levels of social protection.

For example, many of the transition economies in Central and West Asia had relatively high SPIs in 2012, even though GDP per capita in these countries was much lower than in the high-income countries in the sample. This group includes Armenia, Azerbaijan, and Uzbekistan. As former Soviet republics with socialist economies, these countries had the advantage of having inherited fairly well-developed social protection systems, especially for social insurance.

Regional Differences

Variations in average SPIs across the five regions of Asia and the Pacific are only loosely correlated with variations in average GDP per capita. East Asia is by far the richest region and has the highest average SPI (equivalent to 6.5% of GDP per capita).

While East Asia has two high-income countries—Japan and the Republic of Korea—it also includes two transition economies, the PRC and Mongolia, both of which have an SPI that is above the average for the Asia sample. In all four of these countries, the formal labor force is fairly large and, as a consequence, social insurance programs are relatively extensive.

Southeast Asia has the second-highest level of GDP per capita but its average SPI (equivalent to 2.8% of GDP per capita) is relatively low. Moreover, while the Pacific has the third-highest level of GDP per capita, its average SPI is quite low (equivalent to 1.9% of GDP per capita).

In contrast, Central and West Asia, which is dominated by transition economies, might have only the fourth-highest level of GDP per capita, but it still has the second-highest level of social protection. Its average SPI is equivalent to 5.3% of GDP per capita.

The only consistent result—in terms of any correlation between GDP per capita and the SPI—is found in South Asia. It has both the lowest average GDP per capita as well as (along with the Pacific) the lowest SPI (equivalent to 1.9% of GDP per capita).

In general, having a high GDP per capita does not necessarily mean that a country will have an extensive system of social protection. Success depends on the willingness of countries to deploy their public resources for the purposes of strengthening such programs and on how effective such programs are in reaching potential beneficiaries.

Major Social Protection Programs

Social insurance is by far the largest of the three major types of social protection programs, on average, across the sample of 25 countries in Asia. Its SPI is equivalent to 2.7% of GDP per capita. This accounts for almost three-quarters of the overall average SPI, which is equivalent to 3.7% of GDP per capita.

The SPI for social assistance is much smaller. It accounts for only 0.9% of GDP per capita. And the SPI for labor market programs is even smaller, accounting for a mere 0.1% of GDP per capita.

Generally, social insurance becomes more permanent within a country's social protection framework as a country becomes richer and social assistance becomes less important. However, this trend is not without significant variation. How social insurance and social assistance are used to complement each other is often the most important factor.

In Asia, active labor market programs are so small that it is difficult to discern any clear correlation with GDP per capita. Still, such programs are important in both high-income countries—such as Japan, the Republic of Korea, and Singapore—and in a few lower-middle-income countries such as Bangladesh and India.

Expenditures

How do the three major types of social protection programs compare with one another in terms of expenditures and beneficiaries? Social insurance clearly dominates expenditures, accounting for about two-thirds of all expenditures on social protection. Social assistance accounts for 30% of all expenditures and labor market programs account for the remaining 3%.

However, the comparison of the share of all social protection beneficiaries that each program reaches is quite different. Social assistance covers half of all beneficiaries, while social insurance covers slightly less at 46%. Labor market programs account for the remaining 4% of the total.

This report has also investigated the relative importance of the major subprograms of social insurance, social assistance, and labor market programs. For example, pensions are the dominant form of social insurance in terms of expenditures—and the largest form of social protection in general. They account for 44% of all expenditures on social protection, while the next most significant social insurance subprogram in terms of expenditures, health insurance, accounts for 14%.

This result is mostly because of the prominence of social insurance schemes in high-income and transition countries. The category of other social insurance, which mainly includes provident funds and passive labor market programs, accounts for the remaining 9% of social protection expenditures. Hence, pensions are often decisive in determining the character of many countries' social insurance, especially with regard to depth of coverage.

Expenditures on social assistance are far less than those on social insurance. Social transfers, which comprise the largest subprogram of social assistance, account for almost half of all expenditures on social assistance, but only 14% of all expenditures on social protection as a whole.

Child welfare programs account for another 8% of all social protection expenditures. However, expenditures for the remaining three subprograms of social assistance—assistance to the older people, health assistance, and disability assistance—are quite small. They each account for only 1%–4% of all spending on social protection.

Most forms of social assistance are based on unrequited cash or in-kind transfers, even though the beneficiaries or purpose of such transfers might differ. Generally, the average transfer per beneficiary (depth of coverage) is relatively low.

Beneficiaries

The patterns associated with beneficiaries of social protection are quite different from those related to expenditures. For example, while pensions comprise 44% of all expenditures on social protection, they account for only 12% of all beneficiaries. This can be a significant problem for many social protection systems. Pensions can dominate such systems, but they often benefit a relative minority of the population—usually those who work in the formal sector and thus have the opportunity to contribute to pension programs. In contrast, health insurance has the potential to reach a larger number of beneficiaries, as evidenced by its accounting for 29% of all beneficiaries of social protection, yet its expenditure-per-beneficiary ratio can be relatively small.

A notable trend in some countries is the substantial expansion of health insurance. This has been the case, for example, in the PRC, the Philippines, and Viet Nam. Yet, the benefits of such programs have remained relatively small. Furthermore, progress has often been accompanied by a significant degree of subsidization. Indonesia's Jamkesmas social health insurance program, for example, has evolved from a poverty-focused assistance program to a more universal system that covers a significant proportion of the total population.

The category of social insurance that this report calls "other social insurance" reaches only 5% of all beneficiaries of social protection in Asia. The reason is that passive labor market programs and provident funds, which comprise the main portions of the subprogram of other social insurance, tend to reach only a

small number of formal sector workers who have the opportunity as well as the capacity to qualify for benefits.

Within the category of social assistance, child welfare programs tend to reach roughly the same proportion of beneficiaries as social transfers (17%–18%). However, this parity contrasts with child welfare's smaller share of all expenditures on social protection (8%) when compared with social transfers (14%). Hence, the average benefits received by most children tend to be relatively small. Some of the most common forms of child welfare involve school feeding programs.

Health assistance is noteworthy for reaching a disproportionate share of all social protection beneficiaries (10%) in comparison to its share of expenditures (3%). Ideally, such assistance should be coordinated with health insurance programs so that it can play a valuable complementary role in providing benefits to the poor and other vulnerable groups in society.

Assistance to the older people and disability assistance each account for relatively small shares of total social protection expenditures and beneficiaries. For example, assistance to the older people accounts for 3%–4% of both expenditures and beneficiaries. Assistance to the older people should be coordinated with contributory pension systems to focus on reaching the poorest and most vulnerable among the older population. Such beneficiaries would not have had the opportunity during their working lives to join contributory pension schemes—most likely because they were not working in the public sector or employed by large private enterprises.

Disability assistance is a very small portion of social protection, accounting for a mere 1% of both expenditures and beneficiaries. Since persons with severe disabilities are estimated to account, on average, for at least 3% of the total population across Asia, both expenditures and beneficiaries of this form of social protection need to be (at least) tripled to contribute meaningfully to meeting basic needs.

Depth and Breadth of Coverage

The SPI can be used to assess the depth and breadth of each of the major types of social protection program. The depth and breadth of coverage provide measures for assessing social protection programs. Depth is the average expenditure per actual beneficiary (compared with GDP per capita), while breadth is the ratio of actual beneficiaries to potential beneficiaries.

Depth of Benefits

The highest depth of benefits in Asia is found in Uzbekistan. Its average social protection expenditure per actual beneficiary is equivalent to over one-third of GDP per capita. This unusually high depth is due predominantly to large pensions.

Relatively high ratios for depth are common among transition economies. In fact, 5 of the 10 countries with the highest ratios are Azerbaijan, Armenia, Georgia, the Kyrgyz Republic, and Uzbekistan. It is their pension systems that account for much of this above-average depth of benefits. In contrast, although Japan has a high overall depth, it has about the same level of depth in social assistance as in social insurance.

While some countries, such as Bangladesh and Bhutan, are also among the top 10 countries for depth of social protection, their overall SPIs are relatively low precisely because they have exceedingly narrow breadth of coverage. In particular, while their pension systems dominate social protection expenditures, they reach a very small number of beneficiaries.

An ideal social protection system has both relatively high depth and relatively broad breadth of coverage. But such a combination is rare, except in some high-income countries. The countries in Asia that have recently been making the most progress on social protection appear to be those that have focused on initially expanding their breadth of coverage, especially for social insurance.

Breadth of Coverage

Countries that have a wide breadth of social protection coverage do not necessarily have high depth of benefits, and vice versa. The PRC, the Republic of Korea, Mongolia, and the Philippines are the four countries with the widest breadth of social protection coverage.

The relatively wide breadth of coverage in these countries is due mainly to their achievements with regard to social insurance. For example, while the Republic of Korea is exceptional for having attained universal coverage of both health insurance and pensions, it has also reached a significant number of workers with passive labor market programs such as unemployment insurance.

The PRC has been significantly improving its breadth of coverage in recent years through ambitious efforts to expand both health insurance and pensions.

Mongolia and the Philippines have also made noticeable progress toward achieving universal health insurance.

Indonesia is another country that has achieved wide coverage of social assistance, in this case through its broad and growing social health insurance program, Jamkesmas.

Finally, Japan and Singapore are unique because they rank among the top 10 countries for both the depth and breadth of coverage of social protection. In other words, not only do they reach a substantial proportion of the potential beneficiaries of social protection, but also they allocate a significant amount for each beneficiary.

Poverty and Gender Dimensions of the Social Protection Indicator

The SPI project has been able to assess, to a limited degree, the poverty and gender dimensions of social protection programs. It has done so by disaggregating the impacts of social protection on the poor versus the nonpoor, and on women versus men. However, the results are based mainly on informed estimates from government agencies involved in social protection programs rather than direct data, and thus should be treated with some degree of caution.

Poverty Dimension

The nonpoor are the main beneficiaries of social protection. The SPI for the nonpoor is equivalent to 2.8% of GDP per capita, while that for the poor is equivalent to 0.9%. The disaggregated SPIs sum to the overall SPI, which is equivalent to 3.7% of GDP per capita.

Noticeably, the main advantage of the nonpoor is in social insurance. Their SPI for this program is equivalent to 2.3% of GDP per capita, while the corresponding SPI for the poor is only 0.4%. This advantage is due largely to the preponderance of the nonpoor in formal sector employment, which is usually necessary for participation in contributory schemes for health insurance, pensions, and unemployment insurance. Until such programs achieve universal coverage, the conspicuous disadvantage of the poor is likely to remain.

The distributional impacts of social assistance appear to be more neutral between the poor and nonpoor. While the SPI for the poor is equivalent to 0.4% of GDP per capita, that for the nonpoor is 0.5%.

Since the SPIs for the poor and nonpoor for labor market programs are so small, it is not advisable to draw any meaningful inferences from their results. While the SPI for the poor is 0.04% of GDP per capita, that for the nonpoor is only marginally smaller at 0.03%.

The disparities between the poor and the nonpoor were lowest in the small sample of high-income countries. The report found that disparities between the two groups were clearly the sharpest in upper-middle-income countries. When the report examined disparities between the poor and the nonpoor by region, it found that they were the lowest in Central and West Asia, which is dominated by transition economies, and the highest in South Asia.

Gender Dimension

The SPI results suggest that men benefit disproportionately from social protection. The disaggregated SPI for men for social protection as a whole is equivalent to 2.1% of GDP per capita, while that for women is 1.6%. This overall gap of 0.5 percentage points between men and women is entirely accounted for by the differential in the social insurance SPI, which is 1.6% for men and 1.1% for women. For this contributory form of social protection, women are at a clear disadvantage because of lower labor force participation rates across Asia.

The SPI results suggest that women roughly do as well as men on social assistance; the disaggregated SPI for each is equivalent to 0.45% of GDP per capita.

Men do slightly better than women on labor market programs; the SPI for the former is equivalent to 0.04% of GDP per capita, while that for the latter is 0.03%. Since both results are quite small, they are not statistically significant enough to draw any firm conclusions. However, the generally higher labor force participation rates of men would tend to give them an advantage in accessing such programs—unless concerted efforts are undertaken to include women.

Poverty and Gender Dimensions by Income Group and Region

The report also analyzed poverty and gender disparities by income group and region. For income groups, the report distinguished between high-income, upper-middle-income, lower-middle-income, and low-income countries. For regions, the report distinguished between East Asia, South Asia, Central and West Asia, and Southeast Asia.

With regard to disparities between the poor and the nonpoor, the report found that they were lowest in the small sample of high-income countries. Surprisingly, the report also found that disparities between the two groups were clearly the sharpest in upper-middle-income countries.

When the report examined disparities between the poor and the nonpoor by region, it found that they were the lowest in Central and West Asia, which is dominated by transition economies, and the highest in South Asia.

When disparities between women and men were examined, the report found that they were roughly the same across income groups, except that they were slightly lower in low-income countries. Though surprising, this result appears to be due to lower overall access to social protection in low-income countries combined with women's slightly greater access to social assistance.

When gender disparities were compared across regions in Asia, the report found that they were slightly lower in East Asia, which comprises two high-income countries and two transition economies. The report found that gender disparities were highest in South Asia.

Progress in Social Protection over Time

The data for 2004–2005 and 2012 for this report's sample of 14 countries in Asia suggest that, as a group, they made appreciable progress on social protection over this period. Six countries made very substantial progress. Prominent among them were transition economies, including the PRC, Mongolia, and Viet Nam. The other three countries were Cambodia, Nepal, and the Philippines, the first two of which are low-income countries.

Bangladesh, Indonesia, the Republic of Korea, Malaysia, and Uzbekistan either maintained or improved their SPI only modestly. Meanwhile, the SPIs for India and Pakistan declined slightly, while the SPI for Sri Lanka fell noticeably.

Among the countries that made progress on the SPI, there was noteworthy progress on social assistance. The expansion of cash or in-kind transfers, particularly in low-income countries such as Cambodia and Nepal, played a prominent role in supporting this advance.

The Philippines was noteworthy for having achieved progress on both social assistance and social insurance. This effort involved advances in both conditional cash transfers and health insurance.

Two of the transition economies that made rapid advances in social insurance, the PRC and Viet Nam, did so through expanding health insurance to cover a greater share of their populations. The PRC complemented this progress by initiating more inclusive pension programs in both rural and urban areas—thus moving beyond its traditional focus on covering retired employees of urban enterprises.

Comparisons of the advances made by the 14 countries in the breadth and depth of coverage of social protection suggest that the most successful countries made exceptional progress on expanding breadth by increasing the proportion of potential beneficiaries that received benefits. While these countries may have also experienced some decline in the depth of benefits (average expenditure per beneficiary), their substantial inclusion of more beneficiaries outweighed this decline. Dramatically increasing the number of beneficiaries of social insurance, particularly for health insurance and pensions, contributed to the progress made on the SPI in the PRC, the Philippines, and Viet Nam.

In countries that experienced either a decline in social protection or made little or no progress, the opposite often occurred. While they might have raised the depth of coverage for some beneficiaries, particularly for a minority that received pensions, they often lost ground on their breadth of coverage.

From a policy viewpoint, the progress that some countries have made in building up their social protection systems warrants closer review. The PRC and Viet Nam expanded social protection coverage to a much larger share of the population, especially for health insurance. The disadvantage of such an approach is that the depth of coverage (average expenditure per beneficiary) has tended to remain low. If rapidly expanded coverage is heavily subsidized, the government will have to shoulder a relatively heavy financial burden. In the case of pensions, this burden will intensify if the population is rapidly aging, as is occurring in the PRC.

In the case of health insurance, governments might eventually be obliged to seek a higher rate of cofinancing from beneficiaries. But even in some of the more successful health insurance programs, the out-of-pocket expenditures being shouldered by beneficiaries are already relatively high.

Mongolia is an example of a country that has been able to dramatically expand its coverage of social assistance to the entire population through cash transfers from a development fund. This effort was made possible by the dramatic expansion of revenues from the country's resource-rich mining sector, which financed universal coverage of both health insurance and social assistance.

However, in 2012, fluctuations in mining revenues led to the targeting of cash transfers to children only.

The experiences of the PRC, the Philippines, and Viet Nam are also notable for their ambitious attempts to expand coverage of social insurance programs, particularly health insurance. They provide very different examples of how developing countries can manage expansion of social protection in an affordable manner.

The SPI findings also confirm that low-income and lower-middle-income countries are capable of making significant progress on social protection. They should not use relatively low GDP per capita as an excuse to forego making advances in social protection. For example, though Cambodia and Nepal started in the early 2000s with fairly low levels of social protection, both countries have made remarkable relative progress. Their advances have focused on expanding social transfers, particularly cash transfers to poor and vulnerable households. Their progress holds valuable lessons for other low-income countries, as well as lower-middle-income countries.

Concluding Remarks

The SPI analysis highlights the relative importance of the three major categories of social protection programs and allows inferences to be made about the overall effectiveness of social protection systems. A number of broad policy implications emerge from the findings.

Effective and inclusive contributory systems are crucial for building comprehensive social protection to address vulnerabilities at all stages of the life cycle. This report has highlighted the limited access of the poor to social insurance, especially pensions, outside high-income and transition countries. This is partly because the majority of the poor and vulnerable are employed in the informal economy, which poses great challenges to developing effective contributory systems.

While half of all social protection beneficiaries in Asia are reliant on social assistance, the expenditures are often low and the benefits small. Social assistance provides only limited support to people with health problems who lack social insurance and to persons with disabilities.

It is important to expand the coverage of social assistance to support broader groups of the poor and vulnerable and move beyond the usual narrowly targeted programs that do not reach many people in need. The use of noncontributory

cash benefits can help support vulnerable groups left out of formal social insurance schemes, including the older people and persons with disabilities. This should particularly be the case for the severely disabled, who receive very few benefits.

Finally, more ambitious active labor market programs should be promoted to address unemployment and underemployment, as well as population aging, which will impact the labor force. Unfortunately, they remain small and weak in most countries in Asia. One avenue is to extend the scope of existing unemployment insurance and social assistance benefits to include employment promotion measures, such as vocational training and support for entrepreneurship. Linking existing employment promotion programs, such as India's National Rural Employment Guarantee Program, with skills development and training, could help promote better employment options and higher incomes for the poor.

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APPENDIX

1

Basic Methodology for Constructing the Social Protection Indicator

The Social Protection Indicator (SPI) is composed of two ratios. The first, which is in the numerator, is the ratio of all expenditures on social protection divided by all potential beneficiaries for each country. The second ratio, which is in the denominator, is the gross domestic product (GDP) per capita of each country.

Mathematically, the SPI can be expressed in simple form as follows:

$$SPI = \frac{\left[\frac{\sum E}{\sum PB}\right]}{Z}$$

where

E represents social protection expenditures,
PB represents potential beneficiaries, and
Z represents GDP per capita.

1. Disaggregation of the Social Protection Indicator into Depth and Breadth

The SPI can be disaggregated into the depth and breadth of coverage of social protection in each country.

(i) *Depth*

The depth is represented by the average benefits received by each actual beneficiary of social protection. Since this aspect of the SPI is the monetary term, it is divided by GDP per capita.

Thus, this dimension is measured as

> Total Expenditures divided by Total Actual Beneficiaries, divided by Z, or GDP per capita.

Depth can be represented by the following simple equation:

$$D = \frac{\left[\frac{\sum E}{\sum AB}\right]}{Z}$$

where

D represents depth,
E represents social protection expenditures,
AB represents actual social protection beneficiaries, and
Z represents GDP per capita.

(ii) ***Breadth***

The breadth of coverage is simply the proportion of the total potential beneficiaries who are actual beneficiaries (i.e., those who receive social protection benefits). This is computed as

Total Actual Beneficiaries divided by Total Potential Beneficiaries.

Breadth can be represented by the following equation:

$$B = \frac{\sum AB}{\sum PB}$$

where

B denotes breadth,
AB represents actual social protection beneficiaries, and
PB represents potential social protection beneficiaries.

2. **Disaggregation of the Social Protection Indicator by Program**

The second major disaggregation of the SPI involves a three-way disaggregation among the major programs of social protection:

- the SPI for social insurance (SI), which includes such items as pensions, health insurance, and unemployment benefits;
- the SPI for social assistance (SA), which includes such items as assistance to the older people, health assistance, poverty programs, and child welfare; and
- the SPI for active labor market programs (LMPs), which includes such items as training and skills development and public works schemes.

Each of the three programs is expressed as a ratio of total expenditures on that program divided by the corresponding total of potential beneficiaries of that program. But each of these three ratios has to be multiplied by its corresponding population weight in order for the SPIs for the three programs to add up to the overall SPI for all social protection. The population weight is the ratio of potential beneficiaries for that program to all potential beneficiaries of all forms of social protection.

The formula for the SPI of each of the three programs can be illustrated by the formula for the SPI for SI. Deriving the SPI for SI proceeds as follows:

(Total SI Expenditures divided by Total SI Potential Beneficiaries) multiplied by

(Total SI Potential Beneficiaries divided by Total Potential Beneficiaries from All Social Protection)

multiplied by 1/GDP per capita.

Thus, the SPI for SI is expressed by the equation

$$SPI_{si} = \frac{\left[\frac{\sum E_{si}}{\sum PB_{si}}\right] \times \left[\frac{PB_{si}}{PB}\right]}{Z}$$

The last expression in the numerator represents the proportion of the total SI Potential Beneficiaries divided by the Total Potential Beneficiaries for All Social Protection. Z represents GDP per capita.

Based on such population weighting, the SPIs of the three programs—SI, SA, and LMP—add up to the overall SPI:

$$\text{SPI} = \text{SPI (SI)} + \text{SPI (SA)} + \text{SPI (LMP)}$$

3. **Disaggregation of the Social Protection Indicator by Poor and Nonpoor**

The SPI can also be disaggregated by total expenditures on poor and nonpoor potential beneficiaries. For example,

(i) SPI (Poor) or SPI_p can be derived as follows:

SPI_p is based on the sum of all expenditures on the poor divided by all the poor (since the poor in their entirety are regarded as the potential beneficiaries).

But this expression is weighted by the ratio of all the poor to all potential beneficiaries of all forms of social protection.

This relationship can be represented mathematically by the following equation:

$$SPI_p = \left[\frac{\sum E_p}{\sum PB_p}\right] \times \left[\frac{\sum PB_p}{\sum PB}\right]$$

But this weighted ratio has to then be divided by GDP per capita in order to assume the final SPI form.

(ii) SPI (Nonpoor) or SPI_{np}

The same mathematical logic applies to the SPI for the nonpoor. SPI_{np} is the sum of all expenditures on total nonpoor potential beneficiaries multiplied by the weight of the ratio of all nonpoor potential beneficiaries divided by all potential beneficiaries of social protection.

This relationship can be represented mathematically by the following equation:

$$SPI_{np} = \left[\frac{\sum E_{np}}{\sum PB_{np}}\right] \times \left[\frac{\sum PB_{np}}{\sum PB}\right]$$

Similarly, this second weighted ratio has to be divided by GDP per capita in order to assume the final SPI form.

Thus, when the SPI (Poor) is added to the SPI (Nonpoor), the population weights ensure that the result will be the overall SPI.

The decomposition of the SPI (women) and the SPI (men) is not described in this appendix since the same mathematical logic that is used for the SPI (poor) and the SPI (nonpoor) is used for the gender disaggregation. Obviously, the population weights are more similar in the gender disaggregation.

APPENDIX

2

Detailed Tables on Social Protection Expenditures and Beneficiaries

Table A2.1: Social Insurance Expenditures by Subprogram, 2012
($ million)

Country	Total	Pensions	Health Insurance	Other Social Insurance
Armenia	447	419	...	28
Azerbaijan	3,076	2,956	20	100
Bangladesh	616	616	...	...
Bhutan	12	11	...	0.1
Cambodia	46	19	1	25
China, People's Rep. of	465,722	220,425	125,969	119,328
Georgia	551	548	...	3
India	10,437	2,737	7,701	...
Indonesia	3,397	849	1,040	1,508
Japan	1,183,434	668,618	493,339	21,476
Korea, Rep. of	72,497	24,475	33,142	14,880
Kyrgyz Republic	597	568	28	0.1
Lao People's Democratic Republic	55	27	28	...
Malaysia	10,253	5,575	104	4,574
Maldives	68	17	51	...
Mongolia	663	523	84	56
Nepal	227	202	...	25
Pakistan	2,413	2,340	57	16
Philippines	5,316	2,807	1,176	1,333
Singapore	9,031	2,533	1,735	4,763
Sri Lanka	1,340	1,325	9	6
Tajikistan	40	21	...	19
Thailand	11,590	4,712	6,416	462
Uzbekistan	4,050	4,022	...	28
Viet Nam	6,356	3,890	1,410	1,056
Overall Total	**1,792,233**	**950,234**	**672,312**	**169,687**

... = data not available.

Source: ADB estimates based on 2015 Social Protection Indicator country reports.

Table A2.2: Social Assistance Expenditures by Subprogram, 2012
($ million)

Country	Total	Assistance for Older People	Health Assistance	Child Welfare	Disability Assistance	Social Transfers
Armenia	204	4	11	32	0.3	156
Azerbaijan	1,387	13	97	67	75	1,136
Bangladesh	511	109	17	172	14	199
Bhutan	4	...	...	4	...	0.1
Cambodia	127	...	15	25	...	87
China, People's Rep. of	58,434	2,108	3,653	13,043	3,798	35,831
Georgia	460	0	186	6	92	176
India	11,771	909	374	2,981	13	7,493
Indonesia	6,842	6	913	3,320	12	2,593
Japan	120,933	...	...	52,648	22,002	46,283
Korea, Rep. of	16,940	3,744	4,612	4,719	371	3,494
Kyrgyz Republic	171	5	...	46	0.2	120
Lao People's Democratic Republic	11	8	3	...	...	...
Malaysia	1,166	842	36	142	32	115
Maldives	42	27	1	5	7	2
Mongolia	692	60	...	12	4	616
Nepal	170	53	10	41	3	63
Pakistan	474	...	3	11	...	459
Philippines	1,144	20	131	58	...	935
Singapore	3,240	607	102	112	45	2,374
Sri Lanka	204	0.05	7	90	8	99
Tajikistan	17	...	2	3	2	9
Thailand	5,611	1,694	0.3	3,675	223	19
Uzbekistan	973	20	6	707	109	130
Viet Nam	1,118	196	648	57	153	65
Overall Total	**232,646**	**10,426**	**10,827**	**81,975**	**26,963**	**102,455**

... = data not available.

Source: ADB estimates based on 2015 Social Protection Indicator country reports.

Table A2.3: Labor Market Program Expenditures by Subprogram, 2012 ($ million)

Country	Total	Cash for Work	Skills Development Training
Armenia	1	0.4	1
Azerbaijan	2	...	2
Bangladesh	462	460	2
Bhutan	0.4	0.02	0.4
Cambodia	5	5	...
China, People's Rep. of	11,761	95	11,666
Georgia	...	...	...
India	5,963	5,963	...
Indonesia	229	47	182
Japan	6,179	4,957	1,222
Korea, Rep. of	1,734	352	1,382
Kyrgyz Republic	1	1	1
Lao People's Democratic Republic	0.1	...	0.1
Malaysia	74	...	74
Maldives	...	...	...
Mongolia	5	2	3
Nepal	6	6	...
Pakistan	51	26	25
Philippines	36	6	30
Singapore	621	621	...
Sri Lanka	10	3	7
Tajikistan	1	0.1	1
Thailand	...	...	...
Uzbekistan	0.4	0.03	0.4
Viet Nam	270	166	104
Overall Total	**27,414**	**12,711**	**14,702**

... = data not available.

Source: ADB estimates based on 2015 Social Protection Indicator country reports.

Table A2.4: Beneficiaries of Social Insurance by Subprogram, 2012 ('000)

Country	Total	Pensions	Health Insurance	Other Social Insurance
Armenia	519	429	...	90
Azerbaijan	1,767	1,272	40	455
Bangladesh	398	398	...	...
Bhutan	10	10	...	0.2
Cambodia	1,086	199	278	609
China, People's Rep. of	1,561,761	189,445	1,341,413	30,903
Georgia	719	710	...	9
India	151,340	77,611	73,729	...
Indonesia	84,089	11,553	34,402	38,135
Japan	184,793	57,539	126,678	576
Korea, Rep. of	70,647	5,299	49,662	15,686
Kyrgyz Republic	4,709	565	4,138	6
Lao People's Democratic Republic	597	37	560	...
Malaysia	1,592	638	12	942
Maldives	338	8	331	...
Mongolia	3,339	300	2,868	171
Nepal	935	562	...	373
Pakistan	7,854	2,554	5,278	22
Philippines	84,722	1,626	81,328	1,768
Singapore	1,778	372	1,341	65
Sri Lanka	1,771	793	655	323
Tajikistan	749	507	...	242
Thailand	68,391	3,082	64,759	549
Uzbekistan	2,867	2,779	...	88
Viet Nam	68,043	2,487	59,300	6,256
Overall Total	**2,304,814**	**360,774**	**1,846,772**	**97,269**

... = data not available.

Source: ADB estimates based on 2015 Social Protection Indicator country reports.

Table A2.5: Beneficiaries of Social Assistance by Subprogram, 2012 ('000)

Country	Total	Assistance for Older People	Health Assistance	Child Welfare	Disability Assistance	Social Transfers
Armenia	749	7	76	110	2	554
Azerbaijan	1,760	15	264	92	112	1,277
Bangladesh	16,096	2,475	353	11,001	356	1,911
Bhutan	40	...	...	39	...	1
Cambodia	5,458	...	4,174	419	...	866
China, People's Rep. of	364,064	17,948	84,557	127,924	20,410	113,224
Georgia	2,588	...	1,635	4	122	827
India	246,649	30,927	11,000	135,847	200	68,675
Indonesia	108,581	45	31,595	54,299	52	22,590
Japan	18,765	...	...	14,018	2,583	2,164
Korea, Rep. of	9,341	4,190	1,507	1,855	379	1,410
Kyrgyz Republic	1,521	2	...	781	47	691
Lao People's Democratic Republic	718	4	714	...	...	...
Malaysia	10,365	5,200	87	4,517	21	540
Maldives	30	15	1	9	1	4
Mongolia	4,623	177	...	257	30	4,159
Nepal	6,623	750	329	4,615	25	904
Pakistan	47,428	...	250	723	...	46,455
Philippines	35,080	181	17,817	1,557	...	15,525
Singapore	1,756	380	740	75	14	548
Sri Lanka	6,991	175	6	5,100	305	1,405
Tajikistan	905	...	28	203	43	631
Thailand	20,338	6,799	4	12,147	1,158	230
Uzbekistan	5,221	18	285	3,697	135	1,086
Viet Nam	19,989	1,429	13,852	140	730	3,838
Overall Total	**935,678**	**70,737**	**169,274**	**379,429**	**26,723**	**289,515**

... = data not available.

Source: ADB estimates based on 2015 Social Protection Indicator country reports.

Table A2.6: Beneficiaries of Labor Market Programs by Subprogram, 2012 ('000)

Country	Total	Cash for Work	Skills Development Training
Armenia	9	1	8
Azerbaijan	16	...	16
Bangladesh	10,959	10,934	25
Bhutan	1	0.3	1
Cambodia	265	265	...
China, Peoples Rep. of	43,069	1,000	42,069
Georgia	...	...	...
India	49,223	49,223	...
Indonesia	2,203	244	1,958
Japan	3,569	1,393	2,176
Korea, Rep. of	4,301	98	4,203
Kyrgyz Republic	26	20	6
Lao People's Democratic Republic	1	...	1
Malaysia	230	...	230
Maldives	...	...	...
Mongolia	135	32	103
Nepal	224	224	...
Pakistan	541	227	314
Philippines	585	403	182
Singapore	400	400	...
Sri Lanka	188	93	95
Tajikistan	44	5	38
Thailand	...	...	...
Uzbekistan	8	2	6
Viet Nam	730	240	490
Overall Total	**116,724**	**64,804**	**51,920**

... = data not available.

Source: ADB estimates based on 2015 Social Protection Indicator country reports.

Table A2.7: Social Protection Potential Beneficiaries by Program, 2012 ('000)

Country	Total	Social Insurance	Social Assistance	Labor Market Programs
Armenia	4,015	1,809	1,737	469
Azerbaijan	9,625	5,717	3,641	267
Bangladesh	201,980	68,040	116,600	17,340
Bhutan	757	380	328	49
Cambodia	15,780	9,010	5,720	1,050
China, People's Rep. of	2,069,534	1,571,043	427,487	71,005
Georgia	5,896	2,870	2,518	507
India	1,367,068	579,606	668,511	118,952
Indonesia	253,168	130,076	103,147	19,945
Japan	240,545	185,054	49,221	6,270
Korea, Republic of	73,367	58,294	11,371	3,702
Kyrgyz Republic	10,849	6,218	4,060	572
Lao People's Democratic Republic	7,954	3,166	4,089	700
Malaysia	26,619	14,857	10,998	763
Maldives	518	352	149	17
Mongolia	7,814	3,168	4,509	137
Nepal	36,778	17,240	16,520	3,018
Pakistan	185,276	66,740	107,376	11,160
Philippines	112,472	44,407	60,543	7,522
Singapore	3,950	2,670	1,140	140
Sri Lanka	19,713	10,600	8,060	1,053
Tajikistan	9,004	2,678	5,822	504
Thailand	101,742	75,092	21,900	4,751
Uzbekistan	31,566	14,850	13,566	3,150
Viet Nam	111,334	69,204	35,849	6,282

Source: ADB estimates based on 2015 Social Protection Indicator country reports.

APPENDIX 3

Detailed Tables on Social Protection Indicator by Region

Table A3.1: Social Protection Indicator by Program and Region—Asia, 2012 (%)

Country	SPI	Social Insurance	Social Assistance	Labor Market Programs
Central and West Asia	**5.3**	**3.8**	**1.5**	**0.01**
Armenia	4.9	3.4	1.5	0.01
Azerbaijan	6.2	4.3	1.9	0.003
Georgia	4.9	2.7	2.2	...
Kyrgyz Republic	5.7	4.5	1.3	0.01
Tajikistan	0.7	0.5	0.2	0.02
Uzbekistan	9.3	7.5	1.8	0.001
East Asia	**6.5**	**5.2**	**1.2**	**0.1**
China, People's Rep. of	4.3	3.7	0.5	0.1
Japan	11.7	10.6	1.1	0.1
Korea, Rep. of	5.1	4.0	0.9	0.1
Mongolia	4.8	2.3	2.4	0.02
South Asia	**1.9**	**1.2**	**0.6**	**0.1**
Bangladesh	1.1	0.4	0.3	0.3
Bhutan	0.8	0.6	0.2	0.02
India	1.3	0.5	0.6	0.3
Maldives	4.2	2.6	1.6	...
Nepal	1.7	0.9	0.7	0.02
Pakistan	1.4	1.1	0.2	0.02
Sri Lanka	2.7	2.3	0.4	0.02
Southeast Asia	**2.8**	**2.0**	**0.7**	**0.1**
Cambodia	1.2	0.3	0.8	0.03
Indonesia	1.2	0.4	0.8	0.03
Lao People's Democratic Republic	0.6	0.5	0.1	0.001
Malaysia	4.2	3.7	0.4	0.03
Philippines	2.2	1.8	0.4	0.01
Singapore	6.3	4.4	1.6	0.3
Thailand	2.9	1.9	0.9	...
Viet Nam	4.0	3.3	0.6	0.1
Overall Average	**3.7**	**2.7**	**0.9**	**0.1**

... = data not available, SPI = Social Protection Indicator.

Source: ADB estimates based on 2015 SPI country reports.

Table A3.2: Depth and Breadth of Social Protection Indicator by Program and Region—Asia, 2012 (%)

Country	Depth				Breadth			
	Overall Depth	Social Insurance	Social Assistance	Labor Market Programs	Overall Breadth	Social Insurance	Social Assistance	Labor Market Programs
Central and West Asia	**15.1**	**28.3**	**7.6**	**3.0**	**37.8**	**17.4**	**20.2**	**0.2**
Armenia	15.5	26.2	8.3	3.4	31.8	12.9	18.7	0.2
Azerbaijan	16.8	23.2	10.5	1.7	36.8	18.4	18.3	0.2
Georgia	8.7	21.7	5.0	...	56.1	12.2	43.9	...
Kyrgyz Republic	10.0	10.3	9.1	3.8	57.7	43.4	14.0	0.2
Tajikistan	3.6	5.5	1.9	3.4	18.9	8.3	10.0	0.5
Uzbekistan	36.3	82.6	10.9	2.8	25.6	9.1	16.5	0.03
East Asia	**6.8**	**7.1**	**7.0**	**2.8**	**99.9**	**72.8**	**24.3**	**2.8**
China, People's Rep. of	4.5	4.9	2.6	4.5	95.1	75.5	17.6	2.1
Japan	13.6	13.8	13.8	3.8	86.1	76.8	7.8	1.5
Korea, Rep. of	4.4	4.2	7.4	1.6	114.9	96.3	12.7	5.9
Mongolia	4.6	5.5	4.1	1.1	103.6	42.7	59.2	1.7
South Asia	**6.9**	**50.2**	**6.6**	**6.6**	**31.5**	**13.4**	**16.5**	**1.6**
Bangladesh	7.8	209.1	4.3	5.7	13.6	0.2	8.0	5.4
Bhutan	12.5	44.6	4.2	12.1	6.8	1.4	5.2	0.2
India	4.1	4.4	3.1	7.8	32.7	11.1	18.0	3.6
Maldives	6.0	4.0	29.1	...	70.8	65.3	5.5	...
Nepal	7.8	36.6	3.9	4.0	21.2	2.5	18.0	0.6
Pakistan	4.6	26.7	0.9	8.2	30.1	4.2	25.6	0.3
Sri Lanka	5.9	25.8	1.0	1.8	45.4	9.0	35.5	1.0
Southeast Asia	**4.5**	**12.2**	**2.7**	**6.2**	**66.0**	**36.6**	**27.6**	**1.8**
Cambodia	2.7	4.4	2.4	2.0	43.2	6.9	34.6	1.7
Indonesia	1.5	1.1	1.8	2.9	77.0	33.2	42.9	0.9
Lao People's Democratic Republic	3.6	6.6	1.1	9.0	16.5	7.5	9.0	0.01
Malaysia	9.1	62.4	1.1	3.1	45.8	6.0	38.9	0.9
Philippines	2.1	2.4	1.2	2.3	107.0	75.3	31.2	0.5
Singapore	8.8	12.3	6.1	3.0	71.5	35.6	25.7	10.1
Thailand	3.3	2.9	4.7	...	87.2	67.2	20.0	...
Viet Nam	5.0	5.3	3.2	21.1	79.7	61.1	18.0	0.7
Overall Average	**8.1**	**25.9**	**5.7**	**5.0**	**55.0**	**31.3**	**22.2**	**1.5**

... = data not available.

Source: ADB estimates based on 2015 Social Protection Indicator country reports.

Table A3.3: Social Protection Indicator for Poor and Nonpoor by Program and Region—Asia, 2012 (%)

Country	Poor				Nonpoor			
	Overall	Social Insurance	Social Assistance	Labor Market Programs	Overall	Social Insurance	Social Assistance	Labor Market Programs
Central and West Asia	**1.6**	**0.9**	**0.7**	**0.003**	**3.7**	**2.9**	**0.8**	**0.003**
Armenia	1.8	1.0	0.8	0.003	3.2	2.4	0.8	0.004
Azerbaijan	0.8	0.4	0.4	0.0	5.3	3.9	1.5	0.002
Georgia	2.4	1.5	0.9	...	2.5	1.1	1.3	...
Kyrgyz Republic	0.9	0.2	0.7	0.01	4.8	4.2	0.6	0.0
Tajikistan	0.2	0.01	0.1	0.01	0.5	0.5	0.05	0.01
Uzbekistan	3.5	2.3	1.2	0.0005	5.8	5.2	0.6	0.0002
East Asia	**1.6**	**0.9**	**0.7**	**0.02**	**4.9**	**4.3**	**0.6**	**0.05**
China, People's Rep. of	0.4	0.1	0.3	0.01	3.8	3.6	0.1	0.1
Japan	3.5	2.6	0.9	0.02	8.2	8.0	0.2	0.03
Korea, Rep. of	1.1	0.3	0.7	0.04	4.0	3.7	0.2	0.1
Mongolia	1.3	0.5	0.7	0.01	3.5	1.8	1.7	0.01
South Asia	**0.3**	**0.1**	**0.2**	**0.1**	**1.6**	**1.2**	**0.3**	**0.1**
Bangladesh	0.3	0.0	0.2	0.2	0.7	0.4	0.2	0.2
Bhutan	0.1	0.003	0.1	0.01	0.7	0.6	0.1	0.01
India	0.5	0.02	0.3	0.1	0.9	0.5	0.3	0.1
Maldives	0.7	0.3	0.4	...	3.5	2.3	1.2	...
Nepal	0.3	0.0	0.3	0.02	1.4	0.9	0.4	0.005
Pakistan	0.2	0.0	0.2	0.02	1.2	1.1	0.1	0.01
Sri Lanka	0.3	0.1	0.2	0.02	2.4	2.2	0.2	0.002
Southeast Asia	**0.6**	**0.2**	**0.4**	**0.05**	**2.2**	**1.9**	**0.3**	**0.02**
Cambodia	0.4	0.02	0.3	0.02	0.8	0.3	0.5	0.02
Indonesia	0.2	0.003	0.1	0.01	1.0	0.4	0.6	0.02
Lao People's Democratic Republic	0.1	0.02	0.0	0.0003	0.5	0.5	0.1	0.001
Malaysia	0.5	0.1	0.4	0.0005	3.7	3.6	0.04	0.03
Philippines	0.5	0.2	0.3	0.004	1.7	1.6	0.1	0.01
Singapore	2.6	1.0	1.3	0.3	3.7	3.4	0.3	0.0
Thailand	0.3	0.1	0.2	...	2.5	1.8	0.7	...
Viet Nam	0.5	0.02	0.4	0.05	3.5	3.2	0.2	0.1
Overall Average	**0.9**	**0.4**	**0.4**	**0.04**	**2.8**	**2.3**	**0.5**	**0.03**

... = data not available.

Source: ADB estimates based on 2015 Social Protection Indicator country reports.

Table A3.4: Social Protection Indicator for Women and Men by Program and Region—Asia, 2012 (%)

Country	Women				Men			
	Overall	Social Insurance	Social Assistance	Labor Market Programs	Overall	Social Insurance	Social Assistance	Labor Market Programs
Central and West Asia	**2.3**	**1.5**	**0.8**	**0.003**	**3.0**	**2.3**	**0.7**	**0.005**
Armenia	2.1	1.4	0.7	0.003	2.8	2.0	0.8	0.004
Azerbaijan	2.3	1.4	0.8	0.001	3.9	2.8	1.1	0.002
Georgia	2.2	1.0	1.1	...	2.7	1.6	1.1	...
Kyrgyz Republic	2.4	1.9	0.5	0.003	3.3	2.6	0.7	0.01
Tajikistan	0.3	0.3	0.1	0.005	0.4	0.2	0.1	0.01
Uzbekistan	4.4	3.2	1.2	0.0003	4.9	4.3	0.6	0.0004
East Asia	**3.0**	**2.3**	**0.7**	**0.03**	**3.5**	**2.9**	**0.6**	**0.04**
China, People's Rep. of	2.0	1.8	0.2	0.04	2.3	1.9	0.3	0.1
Japan	5.5	4.9	0.5	0.02	6.2	5.6	0.5	0.03
Korea, Rep. of	2.3	1.7	0.5	0.04	2.8	2.3	0.4	0.1
Mongolia	2.2	0.8	1.3	0.01	2.7	1.5	1.1	0.01
South Asia	**0.7**	**0.4**	**0.3**	**0.05**	**1.2**	**0.8**	**0.3**	**0.1**
Bangladesh	0.4	0.1	0.2	0.1	0.6	0.3	0.1	0.2
Bhutan	0.2	0.0	0.1	0.01	0.7	0.6	0.1	0.02
India	0.5	0.1	0.3	0.2	0.8	0.4	0.3	0.1
Maldives	1.9	1.1	0.8	...	2.3	1.5	0.8	...
Nepal	0.7	0.2	0.5	0.01	0.9	0.7	0.2	0.01
Pakistan	0.1	0.0	0.1	0.01	1.3	1.1	0.1	0.01
Sri Lanka	1.2	1.0	0.2	0.01	1.5	1.3	0.2	0.01
Southeast Asia	**1.2**	**0.9**	**0.3**	**0.03**	**1.6**	**1.2**	**0.4**	**0.05**
Cambodia	0.5	0.0	0.4	0.02	0.7	0.3	0.4	0.02
Indonesia	0.5	0.2	0.4	0.01	0.6	0.2	0.4	0.02
Lao People's Democratic Republic	0.2	0.2	0.0	0.0004	0.4	0.3	0.1	0.001
Malaysia	2.0	1.7	0.3	0.0	2.2	2.0	0.1	0.03
Philippines	1.0	0.8	0.2	0.005	1.3	1.1	0.2	0.01
Singapore	2.5	1.8	0.6	0.1	3.8	2.6	1.0	0.2
Thailand	1.3	0.9	0.5	...	1.5	1.1	0.4	...
Viet Nam	1.9	1.5	0.3	0.1	2.0	1.7	0.3	0.1
Overall Average	**1.6**	**1.1**	**0.45**	**0.03**	**2.1**	**1.6**	**0.45**	**0.04**

... = data not available.

Source: ADB estimates based on 2015 Social Protection Indicator country reports.

APPENDIX

4

Detailed Tables on Population

Table A4.1: Shares of Women and Men in Total Population—Asia, 2012

Country	Total Population ('000)	% of Total Population	
		Women	Men
Armenia	3,024	50.3	49.7
Azerbaijan	9,290	50.3	49.7
Bangladesh	151,600	49.5	50.5
Bhutan	721	46.3	53.7
Cambodia	14,774	51.2	48.8
China, People's Rep. of	1,354,040	48.5	51.5
Georgia	4,498	52.4	47.6
India	1,235,000	48.1	51.9
Indonesia	245,425	49.6	50.4
Japan	127,561	51.3	48.7
Korea, Rep. of	50,004	50.3	49.7
Kyrgyz Republic	5,552	50.6	49.4
Lao People's Democratic Republic	6,514	50.3	49.7
Malaysia	29,510	50.5	49.5
Maldives	420	49.9	50.1
Mongolia	2,840	50.4	49.6
Nepal	26,993	51.5	48.5
Pakistan	180,700	48.6	51.4
Philippines	95,771	49.4	50.6
Singapore	5,312	50.7	49.3
Sri Lanka	20,424	51.6	48.4
Tajikistan	7,987	49.6	50.4
Thailand	66,492	50.6	49.4
Uzbekistan	29,774	50.8	49.2
Viet Nam	88,773	50.6	49.4

Source: ADB. Statistical Database System (accessed 22 December 2015); World Bank. World Development Indicators (accessed 22 December 2015).

Glossary of Terms

Active labor market program. Active interventions that provide work or skills development for unemployed or underemployed workers

Cash- or food-for-work. The type of labor market program that generates direct employment through public works, financed by public institutions.

Child welfare. Social assistance that includes initiatives for street children, orphans, and family allowances, which can be financed by public institutions.

Disability assistance. Social assistance programs for persons with disabilities covering the effects of conflicts, urbanization, aging, rehabilitation, employment, education, and death, which can be financed by public institutions.

Educational assistance for children. Social assistance for children that includes school feeding programs, scholarships, fee waivers, and other educational programs, which can be financed by public institutions.

Older people assistance. Social assistance programs for the older people, including livelihood aid, unemployment aid, homes for those with low incomes, nursing homes, home helpers, short stays in institutions, welfare centers, and rest homes, which can be financed by public institutions.

Health assistance. Social assistance that includes the provision of medical allowances and treatment facilities, among others, which can be financed by public institutions.

Health insurance. Social insurance that mitigates risks by providing income support to workers or their dependents in the event of sickness or diseases, financed by contribution of employees and employers.

Maternity insurance. Social insurance that mitigates risks by providing income support in the event of maternity and by providing benefits to mothers during pregnancy and postdelivery, which can be financed by public institutions.

Other social insurance. Provident funds and passive labor market programs such as unemployment insurance, disability insurance, and maternity benefits.

Pension. Employee pensions for ages 60 and over that mitigate risks by providing income support after retirement and by ensuring that dependents are compensated for the loss of the income earner or head of the family, which can be financed by public institutions.

Provident fund. Employees' compulsory savings schemes that can provide a means of livelihood or retirement income (but can be used for other purposes before retirement such as for housing, education, or medical coverage), which can be financed or endorsed by public institutions**.**

Social transfer. Predictable direct transfer to individuals or households, both in-kind and cash, to protect and prevent individuals and households from being adversely affected by shocks, which can be financed by public institutions**.**

Skills development and training program. Active labor market programs that provide training and retraining for unemployed or underemployed workers and are financed by public institutions.

Social assistance. Noncontributory social assistance or social safety nets that provides protection to society's most vulnerable groups, which include those with no other means of support such as single-parent households, victims of natural disasters or civil conflict, persons with disabilities, or the destitute poor.

Social insurance. Contributory programs that mitigate risks by providing income support in the event of illness, disability, work injury, maternity, unemployment, old age, or death.

Unemployment insurance. Social insurance that mitigates risks by providing income support in the event of frictional or structural unemployment in the formal sector, which can be financed or endorsed by public institutions.

Work injury insurance. Social insurance that compensates workers for work-related injuries or diseases, which can be financed or endorsed by public institutions.

The Social Protection Indicator

Assessing Results for Asia

The Asian Development Bank (ADB) is committed to develop and update a comprehensive set of comparable and accessible data to help measure performance of social protection programs in Asia. The Social Protection Indicator (SPI) report presents data on government social protection programs collected from 25 countries in Asia—while a companion publication covers the 13 countries in the Pacific. This report is an update of The Social Protection Index: Assessing Results for Asia and the Pacific published by ADB in 2013. It helps monitor and assess the nature of governments' social insurance, social assistance, and labor market programs in Asia.

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ADB's vision is an Asia and Pacific region free of poverty. Its mission is to help its developing member countries reduce poverty and improve the quality of life of their people. Despite the region's many successes, it remains home to half of the world's extreme poor. ADB is committed to reducing poverty through inclusive economic growth, environmentally sustainable growth, and regional integration.

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