ADB

The Social Protection Index
Assessing Results for Asia and the Pacific

Asian Development Bank

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Note:
In this publication, "$" refers to US dollars.

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Tables, Figures, and Boxes

Abbreviations

ADB	–	Asian Development Bank
FY	–	fiscal year
GDP	–	gross domestic product
ILO	–	International Labour Organization
LMP	–	labor market program
OECD	–	Organisation for Economic Co-operation and Development
PRC	–	People's Republic of China
SA	–	social assistance
SI	–	social insurance
SP	–	social protection
SPI	–	Social Protection Index
SPI_{np}	–	Social Protection Index for the nonpoor
SPI_p	–	Social Protection Index for the poor
SPI_m	–	Social Protection Index for men
SPI_w	–	Social Protection Index for women
TA	–	technical assistance

Foreword

Developing countries across Asia and the Pacific are giving greater attention to social protection. Investments in social protection reduce vulnerability, mitigate chronic poverty, and nurture inclusive growth. They also help households to invest in their future and manage risks, such as extreme environmental events, sudden illness, and economic shocks.

The region's governments increasingly recognize the need to improve the design and delivery of social protection to better target disadvantaged and marginalized groups. Innovations in social assistance, social insurance, and labor programs are emerging but budget support is lacking. Accountability in such programs needs to be strengthened.

A monitoring and evaluation system is also essential to supply information about how well a program is working so that improvements can be made over time. To provide governments with policy-relevant information on social protection, the Asian Development Bank (ADB) and its partners developed the Social Protection Index (SPI) in 2005. It was the first comprehensive, quantitative measure of social protection systems in Asia and the Pacific. A subsequent thorough review of the SPI led to various improvements in the way that the tool is constructed and used.

The revised SPI enables in-depth analysis of social protection at the country and regional levels. It captures the adequacy of social protection in a country by looking at program expenditures, coverage, distribution, and impact. With uniformity in metrics and methods, the SPI can be used as a benchmark to improve social protection through better design, coverage, gender equity, and poverty targeting.

As policy makers in Asia and the Pacific continue to refine and expand their social protection programs, the SPI provides them with useful measures to assist in decision making.

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Acknowledgments

Executive Summary

This report analyzes comprehensive 2009 data on government social protection programs in 35 countries in Asia and the Pacific. The Asian Development Bank (ADB) used its Social Protection Index (SPI) to help assess the nature and the effectiveness of these programs, as well as to facilitate cross-country comparisons.

This project based its activities on the definition of social protection in ADB's 2001 Social Protection Strategy as a "set of policies and programs designed to reduce poverty and vulnerability by promoting efficient labor markets, diminishing people's exposure to risks, and enhancing their capacity to protect themselves against hazards and interruption/loss of income." Strengthening social protection represents a priority contribution to achieving inclusive growth, one of the three main pillars of ADB's Strategy 2020 (ADB 2008a).

The SPI is designed to help governments monitor their progress on social protection, as well as to facilitate cross-country comparisons

This report divides social protection into three major categories: social insurance, social assistance, and labor market programs:

- Social insurance uses contributory schemes to help people respond to common risks, such as illness, old age, and unemployment. Its major components are health insurance, pensions, and unemployment insurance.

- Social assistance provides unrequited transfers to groups, such as the poor, who cannot qualify for insurance or would receive inadequate benefits from such a source. The major components of social assistance are cash or in-kind transfers, child welfare, assistance to the elderly, health assistance, disability benefits, and disaster relief.

- Active labor market programs help people to secure employment. Their major components are skill development and training programs and special work programs, such as cash- or food-for-work programs. (This report categorizes passive labor market programs, such as unemployment insurance or severance payments, as forms of social insurance.)

The Social Protection Index

The SPI can be used to highlight the relative importance of these three major social protection programs. The SPI can also be used to assess the depth and breadth (defined just below) of each of these programs and their distributional impact on the poor and the nonpoor, and on women and men.

The SPI is a relatively simple indicator that divides total expenditures on social protection by the total number of intended beneficiaries of all social protection programs. For assessment purposes, this ratio of expenditures to beneficiaries is compared with poverty-line expenditures. For example, if the SPI were 0.100 in country X, this index number would mean that total social protection expenditures (per intended beneficiary) represent 10% of poverty-line expenditures. The higher this index number, the better a country's performance.

For purposes of consistency, each country's poverty-line expenditures are set at one-quarter of its gross domestic product (GDP) per capita (Appendix 1). Because of this stipulation, the SPI can also be expressed directly as a percentage of GDP per capita. For example, country X's SPI of 0.100 would be equivalent to 2.5% of its GDP per capita.

Each country's poverty-line expenditures are set at one-quarter of its GDP per capita

The example of an SPI of 0.100 can also help explain how the SPI assesses the relative importance of the major programs of social insurance, social assistance, and labor market programs. For instance, the SPI for social insurance could be 0.065, the SPI for social assistance 0.025, and the SPI for labor market programs 0.010. These three program-level SPIs necessarily add up to the overall SPI (e.g., 0.065 + 0.025 + 0.010 = 0.100). This example is similar to the actual results across Asia and the Pacific. Social insurance is indeed the dominant form of social protection.

The SPI can also be disaggregated into the depth and breadth of coverage of social protection. Depth means the average size of benefits received by actual beneficiaries, and breadth means the proportion of intended beneficiaries who actually receive benefits. For example, if the depth were 0.200, this would signify that the average size of benefits is 20% of poverty-line expenditures. Correspondingly, the breadth would be 0.500, meaning that half of all intended beneficiaries receive benefits. The depth multiplied by the breadth equals the SPI (i.e., 0.200 x 0.500 = 0.100).

Lastly, the SPI can be disaggregated into its impact on the poor and the nonpoor, as well as into its impact on women and men. For example, assume that the SPI for the poor were 0.015 and the SPI for the nonpoor were 0.085. These two SPIs have to add up to the overall SPI (namely, 0.015 + 0.085 = 0.100). But also assume that the poor constituted 30% of the potential beneficiaries of social protection. As a result, they would be receiving only about half of their commensurate share of social protection benefits.

Similarly, assume that the SPI for men were 0.075 while the SPI for women were 0.25. If women represented roughly half of all intended beneficiaries, they would be facing discrimination as they received only one-quarter of all social protection benefits.

Depth means the average size of benefits received by actual beneficiaries, and breadth means the proportion of intended beneficiaries who actually receive benefits

General Results

There is a wide range of results for the SPI across Asia and the Pacific as a whole. The SPI varies between 0.416 for Japan and 0.005 for Papua New Guinea. Thus, Japan's social protection spending represents about 42% of poverty-line expenditures while Papua New Guinea's represents a mere 0.5%. These percentages are equivalent to 10.5% and 0.125% of GDP per capita.

Only four countries have SPIs of 0.200 (or higher), representing 20% (or more) of poverty-line expenditures, or 5% of GDP per capita. Two of the four, Japan and the Republic of Korea, are high-income countries; the other two, Mongolia and Uzbekistan, are post-Soviet transition economies.

This report highlights the SPI of the Republic of Korea—0.200, or 5% of its GDP per capita—as a realistic medium-term objective for middle-income countries in Asia and the Pacific. Though the governments in these middle-income countries should have the fiscal capacity to finance adequate systems of social protection, the great majority have not yet done so.

In 2009, Asia and the Pacific already had seven upper-middle-income countries and 19 lower-middle-income countries out of the SPI sample of 35 countries. But the average SPI of the former group, 0.122, is well

below 0.200. And it is not substantially higher than the average SPI of the latter larger group, 0.096. The average SPI for all 35 countries is 0.110 (11% of poverty-line expenditures).

The SPI of the Republic of Korea—5% of its GDP per capita—is a realistic medium-term objective for middle-income countries in Asia and the Pacific

East Asia—comprising two high-income and two transition economies—has excelled, with an average SPI of 0.240. Central and West Asia has also done relatively well, with an average SPI of 0.157. This region comprises transition economies that have retained some of the rudiments of the fairly extensive systems of social protection from their earlier socialist period.

The SPI for Southeast Asia is below average, at 0.095, even though the region includes one high-income country, Singapore, and several large middle-income countries, such as Indonesia, Malaysia, the Philippines, and Thailand. The SPIs for these five countries range from 0.169 for Singapore to 0.044 for Indonesia. Even though this region's average GDP per capita is above average, its spending on social protection as a share of GDP is only 2.6%.

The SPI for the Pacific Islands, 0.077, is significantly lower than even Southeast Asia's. This region comprises seven lower-middle-income countries and two upper-middle-income countries. A few of these countries have above-average SPIs. For example, the SPI of the Marshall Islands is 0.167 and Palau's is 0.148. Both of these countries receive substantial external assistance. But many of the countries in the Pacific have relatively low SPIs and spend very small amounts on social protection. As a result, the entire region spends, on average, less than 2% of GDP on social protection.

The SPI for South Asia, 0.061, is the lowest of any region. Its average GDP per capita, $1,702 in 2009, is also the lowest. Similar to the Pacific Islands, it spends only about 2% of GDP on social protection.

Program Results

The overall SPI is a weighted sum of the SPIs for social insurance, social assistance, and labor market programs. The weights are the relative sizes of the groups of potential beneficiaries of each of these three major programs.

As noted above, social insurance is clearly the predominant form of social protection in Asia and the Pacific: it has an SPI of 0.075. This is far higher than the SPI for social assistance of 0.032. The SPI for labor market programs is insignificant, at 0.003.

This report focuses on the unweighted SPIs for the three major programs of social protection because such an approach reveals the scale of program-level spending relative to the intended beneficiaries—*independently* of the relative size of the three groups of beneficiaries.

With unweighted SPIs, social insurance dominates other forms of social protection in almost all regions. This dominance is most pronounced in East Asia and Southeast Asia. Central and West Asia has somewhat greater balance between social insurance and social assistance, although social insurance is still dominant.

> Social insurance is the predominant form of social protection in Asia and the Pacific

In the Pacific Islands and South Asia, social insurance programs are much smaller. In South Asia, social assistance approaches the importance of social insurance, and (uniquely) labor market programs are as important as social insurance, at least in spending relative to intended beneficiaries.

Main Subcomponents

The report examines the relative importance of the main subcomponents of the three major programs (social insurance, social assistance, and labor market programs), comparing expenditures and number of beneficiaries of each subcomponent.

In **social insurance**, pensions and health insurance are the two most important subcomponents. Pensions dominate, with 65% of expenditures and 45% of beneficiaries in this major program. Health insurance accounts for only 13% of expenditures, but with 35% of beneficiaries it has fairly broad coverage.

The SPI project groups other social insurance programs, such as benefits from provident funds, unemployment insurance, and maternity leave, under the broad category of "other forms of social insurance." These programs together account for about one-fifth of social insurance expenditures and beneficiaries. Except in richer countries, passive labor

market programs, such as unemployment insurance, are relatively unimportant, accounting for only about 1% of all social protection expenditures and about 1% of all beneficiaries across all countries.

Pensions and health insurance are the two most important subcomponents of social insurance

In **social assistance**, cash or in-kind transfers and child welfare each account for about one-third of expenditures and about one-third of beneficiaries, together largely determining the character of social assistance in most countries. Disaster relief is the next most important subcomponent, accounting for 14%–15% of expenditures and of beneficiaries of this major program. This component is becoming more important, reflecting the increasing number and scale of natural disasters.

Assistance to the elderly (most of which is in the form of "social pensions") accounts for 12% of expenditures but reaches only 8% of beneficiaries. Health assistance (which can supplement health insurance by providing benefits to poor and vulnerable groups) accounts for only about 5% of spending but reaches about 9% of beneficiaries.

Disability benefits are the smallest subcomponent, with only 2%–3% of spending and beneficiaries. Indeed, many countries in Asia and the Pacific provide only negligible benefits to disabled people.

Active **labor market programs** are categorized into skill development and training (accounting for a little less than half of expenditures and beneficiaries) and cash- or food-for-work programs (a little over half). Although work programs are gaining in importance in some countries, particularly in South Asia, they are largely absent elsewhere.

Passive labor market programs, such as unemployment insurance, are important mainly in high-income countries, such as Japan and the Republic of Korea.

Depth and Breadth of Coverage

Large depth—namely, large average benefits per recipient—appears to be a distinctive characteristic of social insurance. The depth of social insurance is largest in the Pacific Islands (234% of poverty-line

expenditures) and South Asia (156%). In the Pacific Islands, as a result, the overall depth of all social protection benefits is about 90% of poverty-line expenditures. Initially, this might seem to be an impressive achievement. But the Pacific Islands and South Asia are the two regions in which the overall SPI is lowest. Such large depths of coverage for social insurance signify, correspondingly, that only a small number of potential beneficiaries are receiving benefits, particularly pensions.

Large depth—namely, large average benefits per recipient—appears to be a distinctive characteristic of social insurance

In contrast, while East Asia has consistently low depths for social insurance, social assistance, and labor market programs, it has the highest overall SPI of any region. It also has the highest overall breadth of coverage, averaged across the three major programs.

In East Asia, over 83% of all potential beneficiaries of social protection receive some benefits. In South Asia and the Pacific Islands, the breadth of coverage of social protection is relatively low. For example, in South Asia only about 20% of potential beneficiaries of social protection receive benefits, and in the Pacific Islands, only about 12%.

Across Asia and the Pacific generally, the higher a country's GDP per capita the broader its coverage of social protection, as confirmed on the basis of a regression of the breadth of the SPI on the logarithm of GDP per capita. But almost two-thirds of the 35 countries in the SPI sample have lower breadths than would be predicted by the regression relationship. They have breadths of 0.300 or below even though most of them are upper-middle-income or lower-middle-income countries. This finding suggests that many countries need to concentrate more on expanding the coverage of their social protection systems.

Across Asia and the Pacific, the higher a country's GDP per capita, usually, the broader its social protection

Poverty Impact

The SPIs for the poor, generally, are significantly smaller than the SPIs for the nonpoor. This is particularly the case for social insurance: the nonpoor benefit disproportionately from this form of social protection. In contrast, the poor generally benefit much more from social assistance than they do from social insurance. In some cases,

such as in East Asia, the poor benefit more than the nonpoor from social assistance.

Because spending on active labor market programs is generally small, they confer relatively small benefits on both the poor and the nonpoor. In East Asia, however, the nonpoor clearly benefit disproportionately (by a factor of 4 to 1) from such programs—primarily because of the impact of skill development and training. But in South Asia, the poor benefit almost as much as the nonpoor from labor market programs. This is attributable, no doubt, to the impact of cash- or food-for-work programs, as in Bangladesh and India.

The "missing middle" of social protection systems benefits little from social insurance or social assistance

However, in order to isolate more clearly the impact of various social protection programs on the poor and the nonpoor, it is useful to remove the population weights from the SPI for the poor and for the nonpoor. In Asia and the Pacific, the nonpoor represent, on average, 83% of all potential beneficiaries of social protection, while the poor represent only 17%. So, understandably, the poor are most likely to receive fewer benefits in aggregate. But in 25 of the 35 countries in the SPI sample, the poor receive more benefits, relatively, than the nonpoor—even though they represent a much smaller share of all potential beneficiaries of social protection.

Though this result might appear surprising, the principal explanation is that many of the nonpoor are receiving, in fact, relatively few benefits from social protection. This report calls these people the "missing middle" of social protection systems: they are neither in a position to benefit from social insurance (because they are not employed in the public sector or large private sector firms) nor in a position to benefit from social assistance (because they are not regarded as poor).

Gender Impact

The SPI for women, across Asia and the Pacific, is 0.046 and that for men is 0.064. So the SPI for women is only 41.8% of the overall SPI (for both women and men). When the SPI for women is taken as a ratio of the overall SPI across the five regions of Asia and the Pacific, it ranges from 37.7% (Pacific Islands) to 44.6% (East Asia). Thus, East Asia appears to have the greatest gender equity in social protection.

Southeast Asia stands at 44.2%, Central and West Asia 42.0%, and South Asia 39.3%.

Women benefit decidedly less from social insurance than from social assistance, largely owing to their lack of access to formal-sector employment, which is usually the prerequisite for being members of contributory insurance schemes. Women's SPI for social insurance is only 0.030 compared with men's 0.045. The overall SPI for social insurance is 0.075 (the summation of the two gender-related SPIs), so women's is only 40% of the total.

> Women benefit decidedly less from social insurance than from social assistance

In contrast, women's SPI for social assistance is 0.015, almost as high as men's 0.017. The overall SPI for social assistance is 0.032. Hence, women account for about 47% of all expenditures on social assistance per potential beneficiary.

Labor market programs disproportionately benefit men but the SPIs for both men and women for these programs are very small (0.001 for women versus 0.002 for men). So although benefits accruing to women are less within these programs, this has little effect on overall gender impact across all forms of social protection.

General Results and Implications

The SPI results suggest that, despite steep GDP gains in recent decades, the majority of countries in Asia and the Pacific—particularly those that have graduated to middle-income status—have not correspondingly strengthened their systems of social protection. They need to scale up and broaden these systems. Spending that corresponds to 20% of poverty-line expenditures or 5% of its GDP per capita—as in the Republic of Korea—is a reasonable strategic target.

Broadening the coverage of social insurance would be an important contribution to this effort. In general, women do not share equitably in the benefits from social insurance. And very few poor households are able to gain access to such contributory schemes. But even large segments of the nonpoor, especially those working in the informal sector or in small enterprises, are not covered by such forms of insurance.

> **Most countries in Asia and the Pacific—particularly middle-income economies—need to scale up and broaden their social protection systems**

Because social assistance benefits the poor and women much more than social insurance, increasing its depth (its average benefits) should also be a priority. Strengthening programs of cash transfers and child welfare, the two most important forms of social assistance, could make a significant difference. However, improving disaster relief, which has continued to increase in importance, should now be regarded as a major priority. Also crucially needed are improvements in disability benefits, which remain woefully inadequate across most countries.

Both active and passive labor market programs are of negligible importance throughout the region. Policy makers should examine more closely how labor market programs could be expanded to strengthen social protection systems as a whole. Practical ways of scaling up cash- or food-for-work programs and skill development and training appear promising ways of overcoming the glaring shortcoming.

Overview of the Social Protection Index

What is Social Protection?

This report on the Social Protection Index (SPI) draws on 2009 data on social protection programs for 35 countries in Asia and the Pacific. These data were collected by the Asian Development Bank (ADB) project Updating and Improving the Social Protection Index (ADB 2012). This effort by ADB is in line with the increasing importance that the international development community has attached to building national systems of social protection that can effectively address poverty and vulnerability.

The definition of social protection has varied across development agencies active in this arena, such as the World Bank, the Inter-American Development Bank, and the International Labour Organization (ILO). But the basic thrust of such definitions has involved what ADB described in its 2001 Social Protection Strategy as enabling "vulnerable groups to prevent, reduce and/or cope with risks" (ADB 2001). Hence, it is important to stress that social protection can cover vulnerable nonpoor groups as well as the poor.

ADB continues to implement this basic thrust. The Social Protection Strategy states that social protection is a "set of policies and programs designed to reduce poverty and vulnerability by promoting efficient labor markets, diminishing people's exposure to risks, and enhancing their capacity to protect themselves against hazards and interruption/loss of income" (ADB 2001, 1). Achieving this objective would contribute to ADB's strategic agenda of promoting inclusive growth, which is one of the three pillars (along with environmentally sustainable growth and regional integration) of its Strategy 2020 (ADB 2008a).

> The thrust of social protection is enabling vulnerable groups—poor and nonpoor—to prevent, reduce, or cope with risks

On the basis of this definition, the SPI has been developed to gauge the extent of coverage of social protection programs and the depth of their impact. This report discusses the results of the assessment carried out on 35 countries using information for the 2009 financial year of each government. These countries were chosen as a result of government concurrence in supporting this assessment.

Box 1.1 shows how data were collected for the SPI, after which the chapter discusses the basic features of the SPI and how it was constructed, and introduces how it can be disaggregated by depth and breadth, poverty, and gender.

Social protection programs can be grouped into three broad categories. Social insurance mitigates problems for population groups that are vulnerable to common risks, such as illness, unemployment, work injury, maternity, or problems associated with old age (ADB 2001). These groups are often not poor, at least not before confronting a particular risk. Social insurance schemes are contributory (insurance) schemes that can involve contributions from beneficiaries, employers, and the state, usually on the basis of a common fund (ADB 2001; ILO 2010).

Social assistance is commonly provided as transfers to groups, such as the poor, who cannot qualify for insurance or would otherwise receive inadequate benefits. Social assistance is a noncontributory scheme, which in turn can be either universal (providing benefits to everyone who experiences a particular risk or contingency) or targeted (providing benefits to those in a particular situation of need). Active labor market programs help people to secure employment, as through skill development and training, or special work programs (including cash- or food-for-work programs). (The SPI project also includes, under social insurance, passive labor market programs, such as unemployment benefits and severance payments.)

Basic Features of the Social Protection Index

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 expanding coverage to intended beneficiaries and in providing them with adequate benefits. These two aspects are called the "breadth" and "depth" of coverage, respectively. (ADB [2012] gives a full

Box 1.1   How Data Were Gathered for the Social Protection Index

The SPI project has involved an extensive effort to gather data on social protection programs. For each of the 35 countries, a national consultant was recruited to coordinate with the government in order to collect data. Most of this activity occurred in 2011.

Extensive tables were constructed on each social protection program, its expenditures, and its beneficiaries. Such data were collected for 2008, 2009, and 2010. The justification was that the focus of this effort was the 2009 financial year for each country, which could extend into part of 2008 or of 2010.

One of the major difficulties of this project was the need to coordinate with many different ministries and government agencies. Unlike education or health data, information on social protection programs is not centralized in one ministry or government department. This is an indication of the general lack of strategic focus for social protection. Invariably, no one government agency is given the central authority to coordinate social protection efforts. It is hoped that, as social protection rises in importance on governments' agendas, this lack of coordination will be overcome.

This lack of centralization of efforts meant that national consultants had to spend a great deal of time with various government departments to gather comprehensive data. Such efforts could thus involve coordinating with a wide range of government institutions, ranging across ministries of labor, social welfare ministries, and ministries of education and health, among others.

Unfortunately, funding was inadequate to finance national consultants to engage directly with subnational units, such as state or local governments, some of which might be directly implementing their own social protection programs. In large countries, such as the People's Republic of China, India, and Indonesia, this is likely to lead to a greater underestimation of the extent of social protection programs than in smaller countries, where independent subnational programs are less likely to exist.

Once national consultants had gathered all of the data on social protection that were available to them and completed drafts of their national reports, staff at ADB and international consultants were engaged to vet all the submitted information. This process was fairly time consuming and involved periodic electronic consultations with national consultants in late 2011 and through the first half of 2012.

Some programs that were not, strictly speaking, forms of social protection, such as microfinance or general infrastructure projects, were eliminated during this process. Moreover, some of the estimates on various groups of intended beneficiaries, such as the potential beneficiaries of disaster relief or active labor market programs, had to be corrected. Particularly time consuming was the vetting of the estimates made of the SPIs for the poor and the nonpoor, and for women and men.

presentation of the methodology for the SPI and the handbook that guided the data collection efforts.)

The SPI can also provide useful information on the relative scale of the three major categories of social protection programs: social insurance, social assistance, and labor market programs. In addition, the SPI enables analysts to disaggregate the information on each of these categories into its most important subcomponents (Table 1.1). Within social insurance, useful information can be gathered on health insurance, pensions, and unemployment benefits. Within social assistance, analysts can examine data on social transfers (cash or in-kind, conditional or unconditional), child welfare, targeted health assistance, assistance to the elderly ("social pensions"), disability programs, and disaster relief.

And within labor market programs, useful information can be analyzed on active employment generation programs. Such information can also be combined with data on passive labor market programs.

Within each of the three major programs of social protection, as well as within each of the subcomponents, governments and other national institutions could also gauge the depth and breadth. For instance, they could identify the programs that cover only a few of their intended beneficiaries, as well as the programs that offer relatively small benefits. Governments could also identify and document their successes, namely, recognize the programs that reach many of their intended beneficiaries or provide them with ample benefits, or both.

The SPI can also supply indicative information on the distributional impact of social protection. For example, it can help gauge how the poor fare versus the nonpoor, and women against men. However, since the direct data available for such assessments are usually limited, the SPI project has often had to resort to informed estimates (Box 1.1).

Thus, in summary, the SPI is designed to be a useful analytical tool that can help governments—as well as other interested development partners—conduct a general assessment of a country's entire social protection system.

Table 1.1   Social Protection Programs and their Subcomponents

Item	Social Insurance	Social Assistance	Labor Market Programs
Program description	Mitigates problems for population groups that are vulnerable to common risks, such as illness, unemployment, work injury, maternity, or old age. These groups are often not poor, at least not before confronting a particular risk.	Commonly provided as transfers to groups, such as the poor, who cannot qualify for insurance or would otherwise not receive adequate benefits.	Actively help people to secure employment, such as through employment services, skill development and training, or special work programs. The SPI project includes passive labor market programs, such as income support for the unemployed, under social insurance.
Subcomponents	• Health insurance • Pensions • Other forms of social insurance (unemployment benefits, severance payments, benefits from provident funds)	• Social transfers • Child welfare • Health assistance • Assistance to the elderly • Disability programs • Disaster relief	• Cash- or food-for-work programs • Skill development and training

How Is the Social Protection Index Constructed?

The SPI's construction is quite simple. It is based on comparing two ratios. The heart of the SPI is the ratio of total social protection expenditures to total intended beneficiaries. Total social protection expenditures are the sum of the expenditures on social insurance (SI), social assistance (SA), and labor market programs (LMPs). In similar fashion, total intended beneficiaries are the sum of the intended beneficiaries of all three programs.

In order to simplify, "E" can be used to stand for expenditures and "B" to stand for intended beneficiaries. Thus, the ratio of total social protection expenditures to total intended beneficiaries would be:

$$(E_{SI} + E_{SA} + E_{LMP}) \text{ divided by } (B_{SI} + B_{SA} + B_{LMP})$$

One important qualification is that when the expenditures on all three major programs are added together and then divided by the summation of the intended beneficiaries of all three major programs, the result is a weighted sum. The implicit weight for each of the three major programs is the number of its intended beneficiaries as a ratio to the total intended beneficiaries of all three major programs. Hence, this is, in essence, a "population weight."

The important point to keep in mind when this report presents results is that the overall SPI for each country is, in effect, a weighted sum of the SPIs for each of the three major programs (social insurance, social assistance, and labor market programs).

> The overall SPI for each country is, in effect, a weighted sum of the SPIs for each of the three major programs

The same kind of population weights can be applied to the subcomponents of the three major programs. For example, if health insurance, pensions, and unemployment benefits were the only subcomponents of social insurance, the weighted sum of their own individual SPIs would be equal to the SPI of social insurance as a whole. So, the SPIs of individual subcomponents would always add up to the SPI of the overall program, and the SPIs of the three major programs would always add up to the overall SPI of the country.

But sometimes "unweighted" SPIs (simple ratios of expenditures to intended beneficiaries) will be presented for the three major programs or for their individual subcomponents. This will enable the reader to recognize and assess the underlying ratio of the expenditures to intended beneficiaries. If the population weight were included, this ratio could not be directly assessed.

However, at this point, note that only one of the two crucial ratios constituting the SPI for each country has been presented. This is the ratio of total social protection expenditures to total intended beneficiaries.

Since the expenditure data are expressed in national currencies, comparisons across time within each country (taking inflation into account) could be made but any comparisons of such expenditures across countries could not. And, more importantly, it would not be possible to make a reasonable assessment about whether each country's social protection expenditures are adequate for its people's needs. There needs to be a benchmark, such as poverty-line expenditures. Hence, in order to place the ratio of total social protection expenditures to total intended beneficiaries in each country within some kind of meaningful comparative context, a simple method has been devised to "normalize" this ratio, by constructing a second ratio.

For each of the sample of 35 countries, the value of the national poverty line has been compared with GDP per capita. On average, these national poverty lines approximate one-quarter of GDP per capita. GDP per capita is expressed, of course, in national currency. Hence, the SPI has formulated the second essential ratio for the SPI as total GDP divided by total population (GDP per capita) multiplied by one-quarter:

0.25 (GDP/Total Population)

So, in its simplest form, the SPI of each country can be expressed as:

[Total Social Protection Expenditures/Total Intended Beneficiaries] *divided by*
[0.25 (GDP/Total Population)]

Box 1.2 offers further explanation of the use of poverty-line expenditures. (Appendix 1 discusses how the current form of the SPI differs from the original version used to analyze 2005 data.)

Box 1.2   Use of Poverty-Line Expenditures

Dividing by one-quarter of gross domestic product (GDP) per capita serves several purposes. It eliminates the problem that expenditures are expressed in national currencies since national currencies drop out of the two combined ratios.

This approach also avoids the problems associated with the option of expressing values in United States (US) dollars on the basis of international purchasing power parity (PPP) estimates. While such estimates might serve a useful purpose in assessing trends for a grouping of countries, such as a region or even the world as a whole, they are less effective in assessing national trends.

The last major justification for "normalizing" the Social Protection Index (SPI) by GDP per capita is that such an approach ties the value of the SPI to the income level of each country. Thus, the SPI is essentially a relative indicator—its value is relative to the average income per capita in a country. Each country can judge its efforts primarily on the basis of its own capacity to finance social protection and the need for social protection relevant to its own level of income. For example, Singapore's social protection expenditures per intended beneficiary are divided by $8,878 (one-quarter of its GDP per capita) whereas the Lao People's Democratic Republic's are divided by only $226 (one-quarter of its own GDP per capita).

However, the results generated by the SPI are not completely relative. This would be the case if the SPI results were based, instead, on each country's national poverty line. For example, the performance of some countries could be artificially boosted simply because their national poverty lines are well below their GDP per capita. If the national poverty line was used as the denominator of the SPI, the lower it is, the higher the SPI. An example would be a poverty line that was only one-tenth of GDP per capita.

Conversely, the performance of some other countries could be artificially depressed simply because their national poverty lines are close to their levels of GDP per capita. An example would be a poverty line that was one-half of GDP per capita.

In using a common "regionwide" level of poverty-line expenditures for the SPI, i.e., one-quarter of GDP per capita, the intent is to reduce the scope for such arbitrary results. This approach also enables the SPI project to make the results generated by the SPI more easily understandable. For example, when the ratio of total social protection expenditures is divided by total intended beneficiaries and then this ratio is normalized

Box 1.2 *continued*

by applying a regionally average level of poverty-line expenditures, the result is placed within a context that is easier to interpret.

For example, assume that the SPI for country X is reported as 0.200. What does this result signify? It means that the total social protection expenditures per intended beneficiary represent 20% of poverty-line expenditures.

Alternatively, the total social protection expenditures per intended beneficiary could be compared directly with GDP per capita. In the case above, for example, 20% of 25% of GDP per capita would be equivalent to 5% of GDP per capita. This report will sometimes present the SPI results in this way, as a quick and easily understandable simplification.

Disaggregating the Social Protection Index by Depth and Breadth, by Poverty, and by Gender

The SPI can be disaggregated along two main dimensions: the extent of its coverage of intended beneficiaries—breadth—and the relative size of the benefits that they receive—depth. (Chapter 4 takes the discussion further.) The reason is to help governments analyze the effectiveness of their national social protection systems.

There is a multiplicative relationship between the breadth and the depth. When these two dimensions are multiplied together, the result is the overall SPI. This relationship can be shown by interjecting the term "actual beneficiaries" into the ratio of total social protection expenditures to total intended beneficiaries.

In evaluating social protection, analysts would want to know both the ratio of total expenditures to total *actual* beneficiaries (the depth) and the ratio of the total *actual* beneficiaries to the total *intended* beneficiaries (the breadth). (Box 1.3 gives some background information on how the intended beneficiaries of each major program and its subcomponents were defined.) These two dimensions can be identified by a simple disaggregation of the SPI.

Namely, **Total Expenditures/Total Intended Beneficiaries** can be expressed as two multiplicative parts:

$$\left[\frac{\text{Total Expenditures}}{\text{Total Actual Beneficiaries}}\right] \times \left[\frac{\text{Total Actual Beneficiaries}}{\text{Total Intended Beneficiaries}}\right]$$

In other words, the first term registers the average size of benefits actually received, and the second, the proportion of intended beneficiaries actually covered. In many social insurance programs, the average size of benefits (such as pensions) can be quite high but

Box 1.3   How Intended Beneficiaries Were Defined

One of the most difficult aspects of computing the Social Protection Index (SPI) has involved the identification of the appropriate categories of "intended beneficiaries" for each of the three major social protection programs and for each of their major subcomponents.

Using the total population as the denominator for all social protection expenditures might appear, initially, to be an attractive, simple option for the construction of the SPI, but such a choice of denominator would not give meaningful practical results. One simple reason is that the entire population of a country is not likely to be very vulnerable to risks, except perhaps in extreme circumstances (such as war or a large natural disaster). Hence, the SPI project has engaged in extensive practical discussions on the most appropriate grouping of intended beneficiaries for each major form of social protection. Most of the discussion has focused, in fact, on social insurance.

Since many forms of social insurance, such as pensions or health insurance, are contributory, it was decided to use the employed as the most appropriate potential beneficiaries of some of the main forms of social insurance (particularly health insurance and unemployment insurance). For pensions, the elderly (those aged 60 years or older) were designated the potential beneficiaries. If, however, health insurance is universal, then the SPI project used the entire population as potential beneficiaries.

The discussions on health expenditures proved to be the most contentious since many countries offer free public health care and not, strictly speaking, health insurance. But such expenditures would not be included in the SPI calculations unless they were implemented as forms of social insurance—or targeted as special assistance to particular vulnerable groups. If the latter were the case, these health expenditures would be included under social assistance.

The potential beneficiaries of social assistance are a more diverse set than the potential beneficiaries of social insurance. The SPI project identified four main groups of potential beneficiaries of social assistance: children (up to the age of 14), the poor (defined by a national poverty line), the disabled, and those eligible for disaster relief.

Box 1.3 *continued*

Children are the most easily identifiable group, and sometimes they are the largest group receiving social assistance. The disabled are often the smallest group receiving assistance. Since national definitions of disability can vary widely and sometimes unpredictably, consultants frequently had to resort to international data sets, such as those published by the World Health Organization (WHO), to verify the extent of disability in each country.

In most cases, it was not hard to identify the size of the poor population in each country. However, the SPI project used national poverty lines in determining the size of this population in each country—not international poverty lines such as the $1.25 per person per day (in purchasing power parity terms). This has led to significant differences in results of national poverty calculations across countries. It has also led to outcomes in which ostensibly poor beneficiaries might, in some cases, exceed the number of people officially designated poor. If such an outcome arises, governments may consider reviewing their targeting of benefits.

There is also some possibility of double-counting of poor beneficiaries across social assistance programs. For example, the SPI project includes health assistance and special assistance to the elderly as forms of social assistance. Many of the beneficiaries are likely to be poor. Where feasible, however, such double-counting was eliminated.

The most difficult group to identify, in practical terms, was those affected by disasters. For example, while records are frequently produced on the number of beneficiaries of disaster relief, it proved to be harder to estimate the size of the intended beneficiaries—namely, those who were affected by a disaster but who have not necessarily received any related benefits. In such difficult circumstances, national consultants made the best estimates that they could on the basis of all relevant information.

Despite these practical difficulties, the SPI project still deemed it very important to incorporate disaster relief into the total accounting of social protection. Although disasters can occur on a variable basis, they can have substantial long-term impact. Moreover, in Asia and the Pacific they have recently become more frequent and more devastating.

Identifying the intended beneficiaries of labor market programs also posed practical problems. The current SPI project has taken on board the definition of "intended beneficiaries" from the original SPI project that gathered 2005 data across Asia and the Pacific. This definition included the unemployed and the underemployed.

While the unemployed in each country are often officially recorded, the working definitions of the underemployed can vary widely by country. Following the lead of the original SPI project, the current project defines the underemployed as those working fewer than 35 hours per week, unpaid family workers, and seasonal workers. However, identifying these three groups has been difficult in practice. In any future exercises, additional effort will have to be devoted to developing a more practically useful definition of underemployment.

the number of beneficiaries relatively small. Conversely, in many social assistance programs, the proportion of intended beneficiaries actually receiving benefits (such as cash transfers) can be relatively large but the actual size of the benefits relatively small.

As an additional form of analysis, chapters 6 and 7 examine the distributional impact—on poverty and gender—of social protection programs.

Governments should devote more efforts to directly register the status of the beneficiaries of social protection programs

Because some of the data on which the distributional impact is calculated are professionally informed estimates based, to some degree, on assessing the relative importance of various forms of social protection for particular groups, these results should be regarded as informative but indicative. Nevertheless, the hope is that by publishing these results, governments will be encouraged to devote more efforts to directly register the status of the beneficiaries of social protection programs.

Chapter 2 presents the general results for the SPI. Data are provided on the SPI, social protection expenditures as a ratio to GDP, and GDP per capita for each of the 35 countries considered. The chapter also disaggregates these general results by income group and region. The conclusion from an initial analysis is that while many countries in Asia and the Pacific have been significantly increasing their GDP per capita in recent decades, they have not been correspondingly strengthening their systems of social protection. Lack of progress is particularly evident in middle-income countries, which should have developed the revenue sources necessary to finance more extensive programs of social protection.

The overview of the general results for the SPI is presented in chapter 2, followed by closer analysis in chapter 3 of the three major categories of social protection programs (social insurance, social assistance, and labor market programs), in chapter 4 of the depth and breadth of social protection, and in chapter 5 of the main subcomponents (pensions, health insurance, social transfers, child welfare, etc.). Chapters 6 and 7 examine the distributional impact of social protection programs on poverty and on gender. The implications and what governments should do are highlighted in chapter 8.

CHAPTER 2

Social Protection Index Results for Asia and the Pacific

General Results

The SPI across Asia and the Pacific reveals a wide range of results. But many countries appear to be underperforming: a significant number, especially middle-income countries, are spending far too little on social protection. The implications and what governments should do are highlighted in chapter 8.

Table 2.1 compares for each country its results on the SPI with its results on social protection expenditures as a ratio to GDP and its GDP per capita.

Many countries— especially middle-income countries—are spending far too little on social protection

Table 2.1   The Social Protection Index, Social Protection Expenditures as Percentage of GDP, and GDP Per Capita, 2009

Country	SPI	SP Expenditures as % of GDP	GDP Per Capita at Current Prices ($)
Japan	0.416	19.2	39,714
Uzbekistan	0.343	10.2	1,187
Mongolia	0.206	9.6	1,692
Korea, Rep. of	0.200	7.9	17,110
Azerbaijan	0.187	6.1	5,018
Singapore	0.169	3.5	35,514
Marshall Islands	0.167	4.8	2,838
Malaysia	0.155	3.7	6,915

Country	SPI	SP Expenditures as % of GDP	GDP Per Capita at Current Prices ($)
Kyrgyz Republic	0.151	8.0	871
Palau	0.148	4.6	10,131
Timor-Leste	0.140	5.9	710
China, People's Rep. of	0.139	5.4	3,734
Viet Nam	0.137	4.7	1,130
Georgia	0.137	6.4	2,455
Sri Lanka	0.121	3.2	2,057
Thailand	0.119	3.6	4,151
Philippines	0.085	2.5	1,746
Armenia	0.085	2.2	2,666
Maldives	0.073	3.0	6,174
Nepal	0.068	2.1	463
Samoa	0.066	2.3	2,863
Fiji	0.060	1.7	2,945
India	0.051	1.7	1,043
Pakistan	0.047	1.3	926
Afghanistan	0.046	2.0	488
Solomon Islands	0.045	1.3	1,048
Indonesia	0.044	1.2	2,335
Bangladesh	0.043	1.4	617
Tajikistan	0.039	1.2	668
Bhutan	0.036	1.2	1,852
Nauru	0.034	0.9	4,599
Lao People's Democratic Republic	0.026	0.9	904
Vanuatu	0.025	0.7	2,471
Cambodia	0.020	1.0	731
Papua New Guinea	0.005	0.1	1,226

GDP = gross domestic product, SP = social protection, SPI = Social Protection Index.
Sources: ADB Statistical Database System (2012); ADB staff estimates based on SPI country reports (Appendix 2).

Japan has the highest SPI, 0.416. This signifies that its social protection spending equals 41.6% of poverty-line expenditures (based on the regional average of one-quarter of GDP per capita). Papua New Guinea is at the other extreme, registering the lowest SPI, 0.005 (or 0.5% of poverty-line expenditures).

It is unlikely that most other countries in Asia and the Pacific could attain Japan's level of social protection. It has the highest GDP per capita in the region, at $39,714. Only Singapore's GDP per capita, at $35,514, comes close. But Singapore's spending on social protection represents only 3.5% of its GDP—Japan's is over 19% (unattainable for other countries)—such that Singapore's SPI is only 0.169, lower than that of several other countries.

The Republic of Korea's SPI is 0.200. Its GDP per capita in 2009, $17,110, was less than half of Japan's and about half of Singapore's, and its social protection spending represents about 8% of GDP, much higher than Singapore's. The Republic of Korea's SPI is highlighted as an attainable benchmark for at least middle-income countries in Asia and the Pacific. Its total social protection expenditures per intended beneficiary in 2009 were equivalent to 20% of poverty-line expenditures, or 5% of GDP per capita (as poverty-line expenditures average one-quarter of GDP per capita).

Some transition economies exceed this level: Uzbekistan has an SPI of 0.343 and Mongolia 0.206. Azerbaijan's is close, at 0.187. (The SPI composition for these countries is examined later.)

Twelve countries have an SPI in the range of 0.100–0.200, most of them middle income. In addition to Azerbaijan, these countries include the People's Republic of China (PRC), Georgia, Malaysia, Sri Lanka, Thailand, and Viet Nam. Among these 11 countries, the ratio of social protection expenditures to GDP ranges from 3.2% (Sri Lanka) to 8% (Kyrgyz Republic). For some of the countries in Southeast Asia with relatively higher incomes, such as Malaysia, Singapore, and Thailand, the expenditure ratio is relatively low, only in the range of 3.5%–3.7%, which does not seem high enough for their income per capita.

As a strategic objective, it seems reasonable that the middle-income countries among these 12 should strive to reach the level attained by the Republic of Korea—an SPI of 0.200 or higher. This would involve,

of course, boosting their expenditures on social protection, which average a little less than 5% of GDP.

The 19 countries that have SPIs lower than 0.100 (i.e., less than 10% of poverty-line expenditures, or 2.5% of GDP per capita) would have to increase their expenditures on social protection substantially to have a suitable SPI. Almost universally, their expenditures in 2009 were less than 3% of GDP. It is among these countries that progress on social protection needs to be accelerated. Included among these countries are five low-income countries: Afghanistan, Bangladesh, Cambodia, Nepal, and Tajikistan, whose low-incomes are likely to constrain their ability to mobilize the necessary revenue.

But the other countries are already at least lower-middle-income countries, and include Armenia, Fiji, India, Indonesia, Pakistan, the Philippines, and Samoa. These countries should be able to mobilize more revenue for social protection. But as a group, their expenditures generally represent a small fraction of their GDP, of about 2% or less, and for some even less than 1% (such as the Lao People's Democratic Republic, Nauru, Papua New Guinea, and Vanuatu).

Relationship between a Country's Social Protection Index and Its GDP Per Capita

For roughly the same GDP per capita, some countries greatly exceed expectations while others fall far short

As one would expect, there is a positive relationship between a country's GDP per capita and its SPI, although it is nonlinear—the line of best fit is logarithmic (Figure 2.1). The figure also shows that many countries are not clustered close to the regression line. For the same general level of GDP per capita, in other words, some countries significantly exceed expectations while others significantly fall short. The logarithmic scale implies that the differences are sharper than those depicted in the graph. (Subsequent chapters seek to explain the basis for this diversity of outcomes.)

Figure 2.1   Social Protection Index and GDP Per Capita, 2009
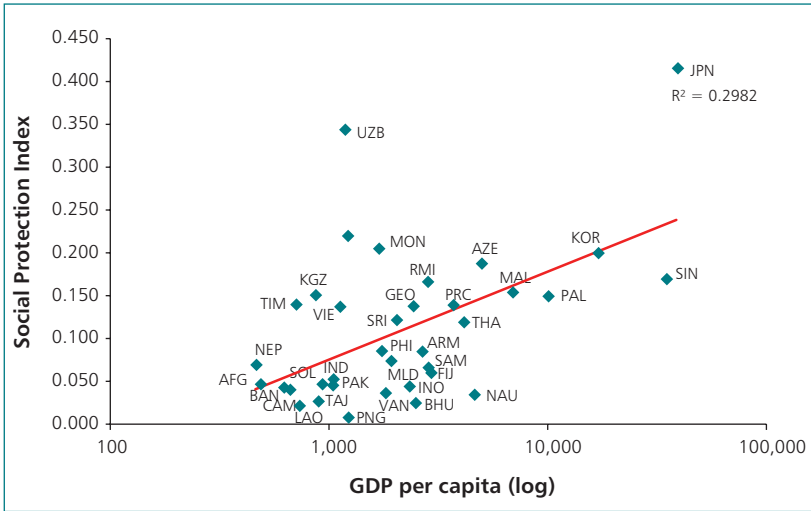
AFG = Afghanistan, ARM = Armenia, AZE = Azerbaijan, BAN = Bangladesh, BHU = Bhutan, CAM = Cambodia, FIJ = Fiji, GDP = gross domestic product, GEO = Georgia, IND = India, INO = Indonesia, JPN = Japan, KOR = Republic of Korea, KGZ = Kyrgyz Republic, LAO = Lao People's Democratic Republic, MAL = Malaysia, MLD = Maldives, MON = Mongolia, NAU = Nauru, NEP = Nepal, PAK = Pakistan, PAL = Palau, PNG = Papua New Guinea, PHI = Philippines, PRC = People's Republic of China, RMI = Republic of Marshall Islands, SAM = Samoa, SIN = Singapore, SOL = Solomon Islands, SPI = Social Protection Index, SRI = Sri Lanka, TAJ = Tajikistan, THA = Thailand, TIM = Timor-Leste, UZB = Uzbekistan, VIE = Viet Nam.

Source: ADB staff estimates based on SPI country reports (Appendix 2).

Social Protection Index Results by Income Category

To delve into this issue in somewhat greater detail, this section concentrates on the performance of countries classified according to traditional income groupings: high-income, upper-middle-income, lower-middle-income, and low-income (according to the World Bank classification for 2009). A significant number of countries in Asia and the Pacific have been moving into middle-income status since 2000 as a result of fairly rapid rates of economic growth.

For each of these four groups of countries, this section presents simple arithmetic averages for their SPI and their ratio of expenditures to GDP.

There are still only three countries in the SPI sample of 35 with high-income: Japan, Republic of Korea, and Singapore (Figure 2.2; Appendix 2, Tables A3.1 and A3.2). They have a high average SPI (0.262) and spend a substantial average share of their GDP on social protection (10.2%).

However, even these three countries show a wide variation in the size of the SPI and the ratio of social protection spending to GDP. Singapore, for example, has developed its own model of social protection, while the Republic of Korea's approach seems similar to Japan's (Boxes 3.1 and 3.3), although the Republic of Korea has a much lower GDP per capita than Japan and Singapore and its spending on social protection does not come close to matching Japan's generous public commitment.

A large gap remains in the SPI between these three countries' performance and that of the majority of middle-income countries. However, the difference between the averages of the seven upper-middle-income countries and the 19 lower-middle-income countries does not appear significant: the average SPIs of these two groups are not far apart and the ratios of their social protection expenditures to GDP are very similar.

The seven upper-middle-income countries in 2009 included Azerbaijan, the PRC, Malaysia, and Thailand. This group's average SPI is 0.122 and its average expenditure on social protection is about 4.0% of its GDP.

The 19 lower-middle-income countries in 2009 included India, Indonesia, the Marshall Islands, Mongolia, Pakistan, the Philippines, Samoa, Sri Lanka, Uzbekistan, and Viet Nam. Their average SPI is 0.096 and their average expenditure on social protection is 3.4% of their GDP—both relatively low. There are, however, wide divergences in performance within this grouping.

As only a lower-middle-income country, Uzbekistan performs very well, with an SPI of 0.343 (second only to Japan's SPI), and it spends a substantial share of its GDP on social protection (10.2%, the second highest among the 35). At the other extreme is Papua New Guinea, with an SPI of a mere 0.005 and spending that is equivalent to a paltry 0.1% of GDP.

Figure 2.2   Social Protection Index by Income Group, 2009
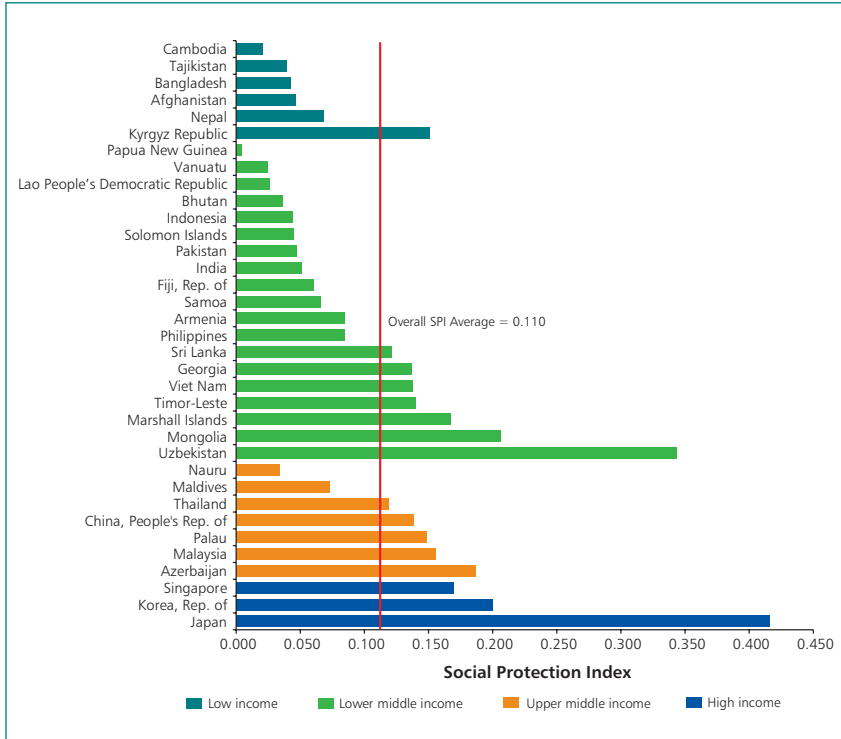
SPI = Social Protection Index.
Source: ADB staff estimates based on SPI country reports (Appendix 2).

In the sample, a significant gulf emerges between the 19 lower-middle-income countries and the six low-income countries (the latter including Afghanistan, Cambodia, and the Kyrgyz Republic).

The average SPI of these six countries is 0.061 and their average expenditure on social protection represents 2.6% of GDP. The performance of the Kyrgyz Republic stands apart: its SPI is 0.151 and its spending represents 8% of GDP, with a GDP per capita of only $871 (2009).

Social Protection Index Results by Region

This chapter presents simple arithmetic averages since it is more interested in gauging efforts at the national rather than the regional level (where large countries can skew the results). It uses simple arithmetic averages for both the SPI and the ratio of social protection expenditures to GDP. It repeats a little the results presented just above for the four income groupings but the regional comparison helps to give an additional perspective on social protection systems (Figure 2.3; Appendix 3, Table A3.3).

Figure 2.3   Social Protection Index by Region, 2009
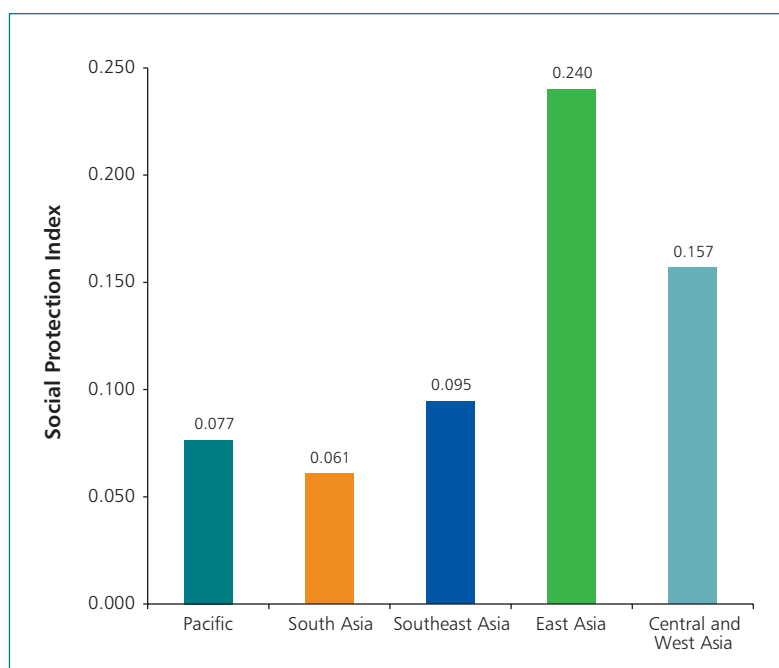
Source: ADB staff estimates based on SPI country reports (Appendix 2).

East Asia

In East Asia, the average SPI of 0.240 is far higher than that for other regions. It is equivalent to 24% of poverty-line expenditures, or 6% of GDP per capita. Of course, this region has only four countries, two of which (Japan and the Republic of Korea) are high-income countries,

and two (the PRC and Mongolia) middle-income countries—the PRC upper-middle-income and Mongolia lower-middle-income (and a transition economy). Average GDP per capita is $15,562, the highest for any region.

Unsurprisingly, spending on social protection is also relatively high. For instance, Japan's spending represents a very high 19% of its GDP, a level that seems out of reach for most other countries in Asia and the Pacific.

Mongolia's spending is almost 10% of its GDP and the Republic of Korea's about 8%. This is the case despite the fact that Mongolia's GDP per capita ($1,692) is less than 10% of the Republic of Korea's ($17,110). The overall average for expenditures as a ratio to GDP in this region is 10.5%. Although the PRC is developing rapidly and is ambitiously expanding its social protection system, its relative spending in 2009 was still low compared with that of the other three countries, and its SPI is correspondingly lower.

Central and West Asia

The countries in Central and West Asia have an above-average SPI of 0.157, or about 65% of the East Asian average (0.240), but none of these countries is high-income. The six countries analyzed are transition economies. (Kazakhstan and Turkmenistan are not included in this analysis.) With the exception of Tajikistan, these countries have relatively high SPIs. In many of these countries social insurance dominates the social protection systems, inherited from the Soviet era.

In income per capita, this region is diverse: one upper-middle-income country (Azerbaijan), three lower-middle-income countries (including Armenia and Uzbekistan), and two low-income countries (including Tajikistan). Their average GDP per capita is just $2,144—quite low compared with East Asia's. Yet this region has an above-average SPI (0.157 versus the overall average of 0.110 for Asia and the Pacific).

Uzbekistan has the highest SPI, 0.343. One reason is that it spends about 10% of its GDP on social protection. Its pension system is extensive and its social assistance programs (based on pre-Soviet local community groups, or *mahallas*) are also significant. Uzbekistan is followed by Azerbaijan, which has an SPI of 0.187. Regionwide, average spending on social protection as a ratio to GDP is 5.7%, second only to East Asia's.

Southeast Asia

The eight countries in Southeast Asia have an average SPI of 0.095, or well below East Asia's and Central and West Asia's. This region has one important high-income country, Singapore, and several large middle-income countries: Indonesia, Malaysia, the Philippines, and Thailand.

Malaysia and Thailand are upper-middle-income countries while Indonesia and the Philippines are two of the four lower-middle-income countries in the region. Cambodia is the only low-income country in this region. The average GDP per capita of the eight countries is $6,678, the second highest among the five regions.

At this income, one might expect this region to spend a significant proportion of GDP on social protection, but its average is only 2.6%. This low rate might be due to a relative lack of commitment to expanding social protection, the importance attached to other development priorities, or a historical legacy of past practices.

Viet Nam has the highest spending ratio, at 4.7% of GDP, which is significantly higher than that in Malaysia, Singapore, and Thailand, all of which have a spending ratio below 4%. The extent of Viet Nam's expenditures on social protection, which are dominated by social insurance, largely reflects the dominance of the economy by state-owned enterprises. But three countries (Cambodia, Indonesia,[1] and Lao People's Democratic Republic) spend only around 1% of their GDP on social protection.

South Asia

The eight countries in South Asia do not perform as well as those in Southeast Asia. This region has only one upper-middle-income country (Maldives), four lower-middle-income countries (including India and Sri Lanka), and three low-income countries (including Bangladesh and Nepal). The average GDP per capita of the eight countries in this region is only $1,703, the lowest among the five regions (Appendix 3, Table A3.1).

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[1]   Because social protection expenditures for Indonesia and India are only at the central government level, there might be some underreporting.

The average SPI of these eight countries is only 0.061, the lowest of any region, and the ratio of social protection spending to GDP is only about 2.0%. Sri Lanka has the highest regional SPI, at 0.121, spending 3.2% of GDP on social protection. The Maldives has the next highest SPI, 0.073, spending 3.0% of GDP.

Countries such as Bangladesh, Bhutan, and India spend less than 2% of GDP on social protection and have relatively low SPIs of 0.051 or lower. Nepal does moderately better, despite being a low-income country, with an SPI of 0.068 and spending 2.1% of GDP on social protection.

Pacific Island Countries

There are nine Pacific Island countries in the SPI sample. Seven of them (including Fiji, Papua New Guinea, Samoa, Solomon Islands, and Timor-Leste) are lower-middle-income countries. The remaining two (Nauru and Palau) are upper-middle income. The region's average GDP per capita is $3,204, the third highest in Asia and the Pacific. Thus, this is not a poor region. But many of these island countries are still vulnerable to economic shocks and natural disasters.

Some countries spend a significant share relative to GDP on social protection. Palau spends 4.6%, the Marshall Islands 4.8%, and Timor-Leste 5.9%.

However, many other countries, including Fiji, Nauru, Samoa, and Vanuatu, spend only about 1%–2% of GDP on social protection. Papua New Guinea spends only 0.1%, the lowest in Asia and the Pacific. Thus, regional SPIs range from 0.167 in the Marshall Islands through only 0.025 in Vanuatu to a mere 0.005 in Papua New Guinea. Many of these countries have extensive informal, community-based social protection systems, built on fairly strong kinship and community networks, although these systems are in marked decline (owing to factors such as urbanization and out-migration). So far, governments have not yet stepped in to compensate for the consequent loss of protection.

The SPI for this region is 0.077, higher at least than South Asia's (0.061). The ratio of social protection spending to GDP is 2.5%, compared with 2.0% for South Asia.

However, Palau, the Marshall Islands, and Timor-Leste play a decisive role in pulling up these averages. These countries have access to larger

financial resources than most other countries in the Pacific Islands. For example, both Palau and the Marshall Islands receive assistance from the United States through the Compact of Free Association while Timor-Leste benefits significantly from oil exports.

General Findings

These general results suggest that many countries in Asia and the Pacific have not yet developed very extensive or advanced systems of social protection. In particular, the many countries graduating to middle-income status in the last decade or so have not correspondingly developed their social protection systems, and the record of upper-middle-income countries does not appear to be much different from that of lower-middle-income countries. Most post-Soviet transition economies seem to perform better than other countries but this might be attributable primarily to their pre-1990s historical context.

The rest of this report takes advantage of one of the most useful features of the SPI—its capacity to provide disaggregated data along various important dimensions. It starts with the three major programs of social protection, before analyzing the depth and breadth of social protection in chapter 4.

CHAPTER 3
Social Protection Index Results by Social Protection Program

Asia and the Pacific

Social insurance dominates social protection across Asia and the Pacific. One way to illustrate this effect is to use the unweighted Social Protection Index (SPI) for each of the three major social protection programs (social insurance, social assistance, and labor market programs), isolating the size of the ratio of expenditures per potential beneficiary.

Social insurance dominates social protection across Asia and the Pacific

The unweighted SPI is the SPI for each major program without a population weight attached to it. Such an SPI simply shows the ratio of total program expenditures to total intended beneficiaries (normalized by one-quarter of GDP per capita) (Table 3.1; Appendix 3, Table A3.4).

Table 3.1   Unweighted and Weighted Social Protection Index by Program, 2009

Program	Unweighted	Weighted
Social insurance	0.145	0.075
Social assistance	0.079	0.032
Labor market programs	0.041	0.003
Overall SPI		0.110

SPI = Social Protection Index.
Source: ADB staff estimates based on SPI country reports (Appendix 2).

Compared with the weighted SPI, the unweighted SPI shows a more pronounced differentiation even though the absolute numbers are smaller. The reason is that it takes account of the relative size of the

intended beneficiaries for each program. It is this form of the SPI for each program that adds up to the overall SPI.

The main reason for the very small weighted SPI for labor market programs is that the size of the intended beneficiaries (the unemployed and underemployed) is relatively small. The three weighted program SPIs add up to the overall SPI of 0.110 for Asia and the Pacific.

Focusing on unweighted SPIs (Figure 3.1), one sees that most countries with relatively high SPIs for social insurance also have high overall SPIs. This applies, for example, to Japan, which has an unweighted social insurance SPI of 0.523 (about 13% of GDP per capita), and Uzbekistan, which has an even higher corresponding SPI of 0.528.

The SPIs for social assistance for both Japan and Uzbekistan are also comparatively high: 0.213 and 0.214, respectively. This pattern also applies to a number of other countries with high overall SPIs, such as Azerbaijan, the Republic of Korea, and Mongolia. There are some exceptions: Timor-Leste has a high SPI of 0.221 for social assistance but it has no forms of social insurance. Armenia, the Kyrgyz Republic, and the Maldives also have social assistance SPIs that are far higher than their social insurance SPIs.

As said, SPIs for labor market programs are generally quite low, the average for Asia and the Pacific being only 0.041. Still, Bangladesh, India, Mongolia, and Samoa have relatively high SPIs for these programs, principally because of sizable and active labor market programs.

India stands out: it has an SPI for labor market programs of 0.250, which is far higher than its social insurance and social assistance SPIs. The same is true of both Bangladesh and Samoa.

Mongolia also has an above-average SPI for labor market programs of 0.141 but both its social insurance and social assistance SPIs are higher (0.239 and 0.166, respectively). Thus, it has a fairly high overall SPI (0.206). The country finances a substantial pension system, a sizable Human Development Fund that finances social assistance, and labor market programs that encompass both public works and skill development (Byambaa 2012). Mongolia is unusual for having fairly balanced expenditures across the three major programs, and such a pattern should be regarded as generally desirable. Yet such balance is uncommon in Asia and the Pacific.

By Region

This section briefly reviews the results for program-level SPIs by region. (Figure 3.1 presents a snapshot of regional averages; Appendix 3, Table A3.5 provides country details.) Again, the SPIs are presented in unweighted form in order to isolate the size of the ratio of expenditures per potential beneficiary.

East Asia

East Asia (with by far the highest average GDP per capita) has the highest SPIs for two major programs: 0.288 for social insurance and 0.159 for social assistance, with social insurance clearly the dominant form.

The social insurance SPI for Japan is particularly high (0.523)—much higher than its SPIs for social assistance and labor market programs.

Figure 3.1.   Unweighted Social Protection Index by Category and Region, 2009
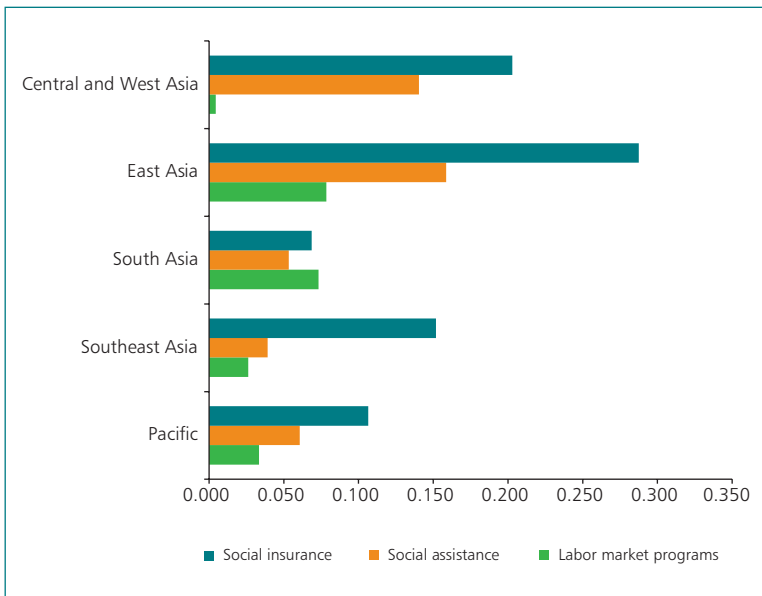
Source: ADB staff estimates based on SPI country reports (Appendix 2).

The reason is that the country boasts both extensive pension insurance and health insurance.

This combination of extensive pension insurance and health insurance is unusual, except in high-income countries. A few middle-income countries also exhibit such a combination but this represents a trend of recent origin.

Generally, pension coverage is smaller than health insurance coverage. For example, while Japanese pensions account for 46% of social insurance expenditures, they reached only 38.4 million beneficiaries in 2009. But health insurance benefits cover the total population of over 127 million people, while accounting for only 32% of all social insurance expenditures.

The Republic of Korea's health insurance system (Box 3.1) is similar in scope to Japan's. The system is particularly interesting because the country (like Japan and some other East and Southeast Asian countries) has to confront the growing challenges of an aging population and increases in chronic diseases while trying to avoid burdening the population with the high costs of medical care, either through insurance contributions or through out-of-pocket expenditures.

Japan and the Republic of Korea have, unusually for Asia and the Pacific, fairly extensive passive labor market programs, such as unemployment insurance

Some labor market programs are fairly developed in the high-income East Asian countries, and Japan and the Republic of Korea, for example, have fairly extensive passive labor market programs, such as unemployment insurance. Such broad programs are not, however, common in Asia and the Pacific.

For a country of its level of income per capita, Mongolia is unusual: as noted, its unweighted SPI for labor market programs is 0.141. Such initiatives in Mongolia consist largely of skill development and training programs, along with a smaller public works component. Though what it spends on such programs is small—3% of all of its social protection spending—the benefits reach about 251,500 people (out of a total population of about 2.7 million).

Box 3.1   National Health Insurance System in the Republic of Korea

Initiated in 1989, the National Health Insurance (NHI) system provided universal coverage from 2009. Reaching about 48.6 million people that year, its cost represented about one-third of all social protection spending.

The NHI is financed mainly via contributions from the insured and their employers and subsidy grants from the government. Workers in public and private institutions are covered by the system and contributions are based on an employee's wages.

A recent study tracing the NHI's development found that the main financial burden used to lie predominantly with households (Jeong 2011). However, the government has been successful in shifting that burden from households and toward itself and businesses. By 2007 the household contribution had been reduced to roughly 55% while businesses assumed 25% and government the remaining 20% of the total cost.

Though the country has made impressive progress in expanding health service coverage, the NHI still has to face the impending challenge of a rapidly aging population, as well as a rising incidence of chronic diseases. For example, the old-age dependency ratio (the elderly as a ratio to the working-age population) is projected to jump from about 16% in 2011 to about 37% in 2030 (ILO 2012). This challenge faces many Asian countries, particularly those in East Asia.

Already, health spending per person has been growing rapidly at about 8% per year since 2002, the fastest rate of increase among countries in the Organisation for Economic Co-operation and Development (OECD) (OECD 2012, 9). It will be hard, though, to maintain the NHI's universal coverage while preserving its quality of services. Such a combination will require closer monitoring of clinicians and health-care delivery mechanisms.

The country will also have to focus more on improving primary health care services. This will help improve quality and possibly lighten the heavy burden of costs at the secondary and tertiary levels, as such an approach could help to prevent diseases, especially through early diagnosis.

Central and West Asia

Central and West Asia has relatively high SPIs for both social insurance (0.203) and social assistance (0.140)—a remarkable relative balance. It is hoped that other countries can achieve such balance, although they have not shared the same history.

Central and West Asia has achieved a remarkable relative balance between social insurance and social assistance

The region does not have extensive labor market programs, however. Its SPI for such programs is the lowest of any region (0.004). Active labor market programs particularly are scarce. Only in Armenia does the SPI for labor market programs exceed 0.01 (1% of poverty-line expenditures).

Uzbekistan does exceptionally well—its social insurance SPI is very high (0.528)—followed by Azerbaijan (0.264). In both cases, large pension programs dominate the social insurance programs. Uzbekistan also has the second-highest social assistance SPI in the region (0.214), reflecting its *mahalla* programs, which have become fairly extensive (Box 3.2). The Kyrgyz Republic's social assistance SPI is the highest in the region (0.237), and its social assistance accounts for 65% of social protection expenditures.

Southeast Asia

In this regional mix of high-, middle-, and low-income countries, only the social insurance SPI is relatively high (0.152). Malaysia, Singapore, and Viet Nam have quite extensive social insurance systems, but they have relatively high-incomes or a transition background.

It is vital to expand narrow systems of social protection—often dominated by social insurance, especially pensions—that benefit only a small number of the population

In Malaysia, social insurance makes up over 93% of all social protection expenditures. Retirement benefits dominate, either through the government pension scheme or through the private Employees Provident Fund. But overall, Malaysia's social insurance reaches only about 1 million beneficiaries (out of a total population of about 28 million in 2009). This kind of imbalance appears to be common in Asia and the Pacific. Thus, a key policy challenge is how countries throughout Asia and the Pacific can expand beyond their narrow systems of social protection, which are often dominated by social insurance, which in turn

Box 3.2   *Mahalla* Social Assistance in Uzbekistan

In 1994 Uzbekistan introduced decentralized social assistance. It relied on traditional pre-Soviet local community groups known as *mahallas* to administer some of its social assistance programs and to select their beneficiaries. In 2009, 64% of Uzbekistan's social assistance spending was administered through *mahallas*.

The *mahallas'* strengths are their familiarity with potential recipients and their more decentralized, cost-effective administration. This system is designed to combine formal, centrally set regulations with flexibility at the local community level, and is believed to tailor assistance more accurately to local needs and avoid the unnecessary bureaucracy often involved in central administration. Thus, it has often been regarded as a promising model for other post-Soviet transition economies.

Mahallas are now in charge of a large array of social assistance programs, extending from the provision of free food for single pensioners and allowances to unemployed low-income mothers, to transfers to entire low-income families. Taken together, these programs accounted for 17.7% of Uzbekistan's social protection spending in 2009, when 14.5% of the population was covered by at least one of the *mahallas*.

Early evaluations suggested that the *mahalla* program was generally effective in targeting those most in need (Coudouel et al. 1998). A new concern relates to an increased administrative burden (UNICEF and UNDP 2012). For example, the *mahallas* have encountered difficulties in coping with large numbers of applications for social assistance, especially as they generally lack the requisite expertise and resources to do a thorough assessment of the many households that now claim to be vulnerable.

benefits a small number of the population. Narrowness is particularly characteristic of contributory social insurance such as pension systems.

In Singapore, social insurance also accounts for 93% of all social protection expenditures. Health insurance accounts for 17% while the compulsory comprehensive savings plan—the Central Provident Fund (Box 3.3)—accounts for most of the remaining 76%. This country's social insurance reaches about 1.8 million beneficiaries, out of a total resident population of 3.8 million—a good performance by the standards of Asia and the Pacific.

Box 3.3   Central Provident Fund of Singapore

Singapore's Central Provident Fund (CPF) was introduced in 1955 and remains the cornerstone of its social protection system. The CPF is a mandatory savings scheme to which both employers and employees contribute, and these contributions are supplemented by a government subsidy. Savings made under the CPF can be used to finance housing, retirement, and medical services. In 2009 the government's contributions to this fund accounted for over 90% of its social protection spending.

Once people reach 55, they can draw on the pension portion of the CPF. But many people choose to continue receiving annuities from their savings until they reach 65 and can draw on the maximum pension. However, because funds can be withdrawn from these accounts for other purposes well before retirement, there are increasing concerns about the capacity of the CPF to finance future pensions.

The CPF helps to explain why Singapore has one of the highest savings rates in the world, although it has been criticized for not being designed to address the needs of vulnerable and poor groups or of a growing number of self-employed and low-wage workers (Sharma 2011).

The most common program that is part of the category of "other forms of social insurance" in Asia and the Pacific is the provident fund, which is a type of savings system that is often used to finance pensions, particularly in the private sector. However, these savings can be drawn on in some cases for other purposes, such as buying a house or covering medical expenses.

Southeast Asia's social assistance SPI is the lowest of any region (0.039). Only Indonesia, the Philippines, and Thailand—sizable middle-income countries—have significant programs. This lack of social assistance in Southeast Asia, which has the second-highest average GDP per capita of all regions, is a matter of some concern, especially as financial capacity in many of the region's countries should not be a major constraint.

The region's SPI for labor market programs is even lower (0.026) than its social assistance SPI. However, its labor market program SPI is still higher than that of Central and West Asia (0.004). No country in Southeast Asia—except the Philippines—has a noteworthy labor market program.

South Asia

The poorest region in Asia and the Pacific, South Asia stands out only for having SPIs in the low range of 0.050–0.075 for all three social protection programs—although its SPI for labor market programs (0.073) competes with East Asia's for being the highest. This distinction stems mainly from the sizable active labor market programs in Bangladesh and India.

India's three labor market programs make up an impressive 40% of all social protection expenditures. The dominant one (Box 3.4) accounts for 38% of such expenditures and reaches about 52.5 million beneficiaries (out of a total employed population of about 506 million). The program appears to have a decent targeting record, providing work for a significant number of poor rural workers and even encouraging women's participation in local labor markets.

Bangladesh's labor market programs are also extensive, making up 36% of all social protection expenditures. Its three major programs, including the largest—Employment Generation for the Ultra-Poor— reach well over 6 million beneficiaries, or about 23% of all social protection beneficiaries.

In contrast, South Asia has the lowest social insurance SPI (0.069) in Asia and the Pacific. Only Sri Lanka's social insurance programs are significant: pensions for civil servants and private sector employees account for a very high 82% of all social protection expenditures, but these retirement benefits reach only about 0.9 million beneficiaries (out of a total population of about 20.5 million).

Sri Lanka is also innovative in attempting to implement a pension program for the informal sector, which reaches about 140,000 beneficiaries (7.4%) out of 1.9 million elderly. And its poverty-focused Samurdhi Social Security program reaches another 138,000 (0.7%) in a population of 20.5 million. One of the most challenging issues for Asia and the Pacific as a whole is whether such nontraditional pension programs, which have the potential to reach poorer and more vulnerable groups, can be substantially scaled up.

In general, though, South Asia's social assistance SPI (0.053) is higher only than Southeast Asia's, and the Maldives alone stands out (at 0.131), primarily because of its social assistance to the elderly, which

Box 3.4   Mahatma Gandhi National Rural Employment Guarantee Act of India

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) was launched in 2005 to enhance the livelihood security of the rural population by guaranteeing not fewer than 100 days of wage employment per year per household for those willing to undertake unskilled manual work. Expanded in 2006–2008, the program now covers all regions and districts in India.

What is distinctive about the MGNREGA is its rights-based framework. Rural workers have the legal right to the 100 days of paid work per year. The MGNREGA has been more successful than India's previous employment guarantee schemes in providing widespread employment opportunities for both unskilled and skilled laborers, but it still confronts a large-scale unsatisfied demand for jobs in rural areas.

The program is imposing: it accounts for 38% of all social protection spending. The national government bears the entire cost, paying an average wage of Rs90 ($2) per worker per day in 2010, and over 50 million workers (about 5% of India's total population) secured jobs in 2009 alone. More than twice this number applied for job cards, giving them the right to demand employment through the scheme.

A fifth of spending has been devoted to infrastructure projects explicitly for scheduled castes and tribes and those living below the poverty line. The program's targeting performance is good: members of scheduled castes and tribes accounted for about half of the total person-days of work in 2010 (Liu and Deininger 2010).

Although promoting gender equality has not been an explicit goal of MGNREGA, it has helped expand female participation in the labor force. Women are attracted by several features of the program: quotas for women, equal wages, predictable working hours, training opportunities, and manageable distances to work sites.

takes the form of an old-age basic pension for people older than 65. This social pension program alone accounts for 42% of all of the country's social protection spending. The program is universal and in this small country reaches about 13,000 elderly people out of nearly 21,000 elderly people.

Sri Lanka has one of the lowest social assistance SPIs (0.036) in South Asia. Its assistance takes the form principally of programs to provide

child welfare, assistance to internally displaced people, and targeted benefits for the poor. Yet all its social assistance expenditures still account for only 14% of total social protection spending, even though they reach about 9.5 million beneficiaries, keeping average benefits fairly small.

Pacific Islands

Although the region with the third-highest GDP per capita, the Pacific Islands does not have noteworthy SPI results for any of the three social protection programs—none of this region's three program-level SPIs is the highest or the lowest.

On social insurance, the Marshall Islands (a lower-middle-income country) and Palau (an upper-middle-income country) are above average, at 0.339 and 0.228 (or 8.5% and 5.7% of GDP per capita), respectively.

In the Marshall Islands, pensions (including survivors' benefits) make up 71% of all social protection spending, and pension beneficiaries total is close to 3,400, in a population of about 53,600. In Palau, pensions account for 72% of all social protection spending and reach about 3,400 people out of a population of about 21,000. In these countries, the average benefits of such pensions are fairly high.

Timor-Leste does not yet have social insurance, although it has by far the largest social assistance programs in the region. Its social assistance SPI is 0.221, which alone is decisive in lifting the average SPI for social assistance for the region to 0.061.

Social assistance programs are not well developed elsewhere in the region. The next-highest SPIs are in Palau (0.091) and the Marshall Islands (0.068). For a region with a decent level of GDP per capita, this is surprising. However, as mentioned, much social assistance in the Pacific is still provided through community channels rather than the government, and government programs were the focus of the SPI exercise.

Nor are labor market programs well developed, and only Samoa has sizable programs, reflected in its SPI for this aspect of 0.212 (or 5.3% of GDP per capita). This country has an extensive array of such programs, including food- or cash-for-work programs, job-generating

rural infrastructure projects, and training of the urban poor (poor women in particular).

These programs reach about 2,100 beneficiaries out of a total population of over 183,000 and account for 17% of all social protection spending.

The next-highest SPI for labor market programs in this region is Timor-Leste's, which is only 0.056. Nauru has no such programs, and Palau, Papua New Guinea, and Vanuatu have virtually none.

By Income Group

This section presents the results, by income group, for the unweighted SPIs for each of the three major social protection programs. Figure 3.2 displays the averages for income groups. Tables A3.2 and A3.6 in Appendix 3 provide details.

Presented first, for comparison purposes, is the overall SPI, which varies substantially by income group. While the average overall SPI for Asia and the Pacific is 0.110, the average SPI for high-income countries, at 0.262, is well over twice as high. The overall SPI for upper-middle-income countries, at 0.122, is less than half the level of that for high-income countries. The SPI for lower-middle-income countries is significantly lower, at 0.096. And there is a correspondingly lower level of the overall SPI for low-income countries, only 0.061.

How do these overall SPI results compare with those for each of the three major social protection programs? At the start of this chapter, it was noted that the average SPI for social insurance across all income groups (0.145) is higher than the overall SPI of 0.110, and the average SPIs for social assistance and labor market programs, 0.079 and 0.041, lower.

In high-income countries, the highest program-level SPI is the one for social insurance, at 0.341 (a little over one-third of poverty-line expenditures, or 8.5% of GDP per capita). Thereafter, there is a progressive decline in the SPI for social insurance among upper-middle-, lower-middle-, and low-income countries.

Figure 3.2   Unweighted Social Protection Index by Category and Income Group, 2009
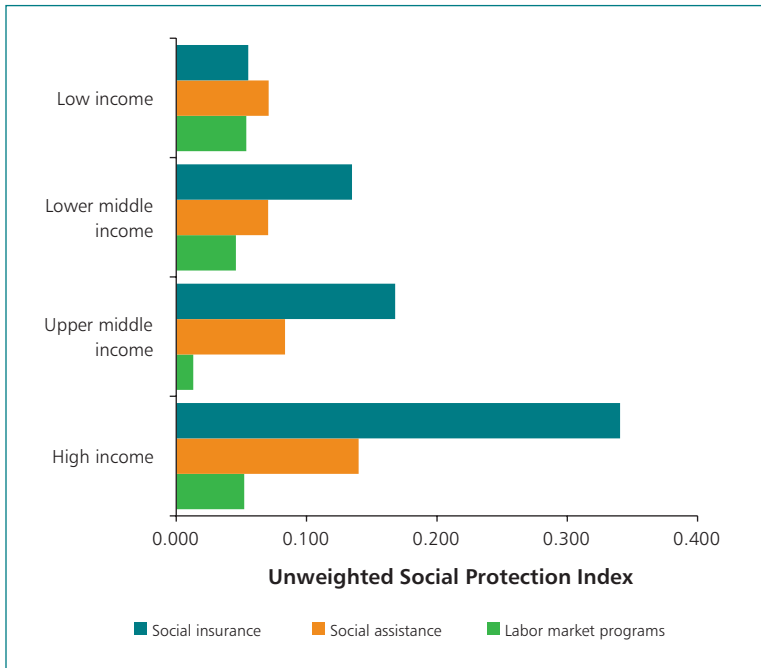
Source: ADB staff estimates based on SPI country reports (Appendix 2).

In other words, there appears to be a fairly predictable positive relationship between the importance of social insurance and average GDP per capita in countries in Asia and the Pacific. Social insurance turns out to be the most important component of social protection, and it is definitely the most important in the richest income group of countries. However, the relationship between GDP per capita, on the one hand, and both social assistance and labor market programs, on the other, appears to be less straightforward.

The average SPI for social assistance generally declines as average GDP per capita falls. But the differences in the social assistance SPI among upper-middle-, lower-middle-, and low-income countries are not sharp. For example, the corresponding SPIs for these three income groups are 0.083, 0.070, and 0.071. Hence, between 1.8% and

There appears to be a fairly predictable positive relationship between social insurance and average GDP per capita

2.1% of the GDP per capita of these three groupings is spent on social assistance. These results suggest that in middle-income countries as a whole in Asia and the Pacific, social assistance programs are not as well developed as they should be.

As the poor make up a smaller share of the total population in such countries over time, social assistance is likely to become less important—unless governments begin to expand their social protection programs to benefit the near-poor or institute more universal programs for certain kinds of benefits or for certain easily identifiable vulnerable groups, such as children or the elderly.

Since social insurance benefits mainly the better-off segments of the workforce, largely because it is contributory, while social assistance concentrates chiefly on the poor, there is bound to be a large segment of the labor force lying between these two polar opposites that receives only negligible social protection. This grouping could be called the "missing middle" of social protection.

With regard to active labor market programs, there appears to be no discernible pattern whatsoever across income groups in Asia and the Pacific. For example, the lowest average SPI for these programs, 0.013, is found in upper-middle-income countries. Moreover, the average SPI for both high-income countries and low-income countries—the two extremes—is virtually the same, i.e., 0.052 versus 0.054, or 1.3% versus 1.4% of GDP per capita. But for high-income countries at least, passive labor market programs (categorized under social insurance in the SPI exercise) are significant features of social protection.

There appear to be some important strategic decisions that middle-income countries in Asia and Pacific have to make with regard to labor market programs. It will remain difficult for them to implement effective programs if, for example, a substantial proportion of their workforce still labors in the informal sector.

Social Protection: Depth and Breadth of Benefits

Introduction

Chapter 1 explained how the SPI could be disaggregated into measures of the depth and breadth of social protection: the breadth indicates the proportion of intended beneficiaries who actually receive social protection benefits, while the depth indicates the average size of the benefits that these people receive (relative to poverty-line expenditures).

Unless governments increase their expenditures on social protection, invariably these two dimensions are inversely related. That is, assuming a given total allocation of expenditures each year, if there are few beneficiaries, the average size of their benefits is likely to be relatively high. Conversely, if there are many beneficiaries, the average size of their benefits is likely to be relatively low.

If, for example, a social protection program has $100 to disburse among 200 potential beneficiaries, it could perhaps give 20 beneficiaries $5 apiece, or perhaps it could decide to provide $2 apiece to 50 beneficiaries. If a switch were made from the first to the second option, the absolute depth of benefits would fall from $5 to $2 per actual beneficiary while the breadth of coverage would rise from 10% (20/200) to 25% (50/200)—the depth decreases while the breadth increases correspondingly. The only way to increase both the depth and breadth is to increase the total expenditures, from $100 to $200, for example.

This simple illustration helps explain why the mathematical relationship between the depth and breadth of social protection is multiplicative. It is this relationship that enables us to disaggregate the SPI into these two components (unlike the arithmetic disaggregation of the SPI into the SPIs for each of its three major programs).

This property is helpful when one assesses overall social protection in each country and the character of each of the major programs. For example, some programs—especially those categorized as social insurance—might be allocating fairly substantial benefits to a relatively small number of beneficiaries. In contrast, other programs—especially those classified as social assistance—might succeed in reaching a fairly large number of beneficiaries but they are able to allocate only fairly small average benefits to them.

One of the objectives of this chapter is to help identify the types of depths and breadths that characterize the social protection programs of countries that have achieved fairly high SPIs. For example, do such countries excel in depth? Or breadth? Or a combination?

Depth and Breadth across Regions

Depth

This initial section focuses first on the depth (the average benefits received by actual beneficiaries), for social protection as a whole and for the three major programs (Figure 4.1; Appendix 3, Table A3.7, provides country details).

Social insurance is reaching only a fairly small group of beneficiaries

What is immediately obvious from the figure is that the depth of social insurance tends to be significantly higher than the depth of social assistance or labor market programs. This implies that social insurance is reaching a fairly small group of beneficiaries.

Perhaps surprisingly, the average depth for the **Pacific Island** countries is the highest for any region at 0.899, meaning that social protection expenditures per actual beneficiary are equivalent to almost 90% of poverty-line expenditures. This is a high level for a contributory pension program—and in fact most of these benefits are not directed to poor beneficiaries.

It is the imposing size of social insurance benefits (such as pensions) that mainly accounts for this large depth. Social insurance benefits in this region represent about 279% of poverty-line expenditures (or about 70% of GDP per capita). Obviously, this is a fairly generous pension system.

Figure 4.1. Depth of the Social Protection Index by Program
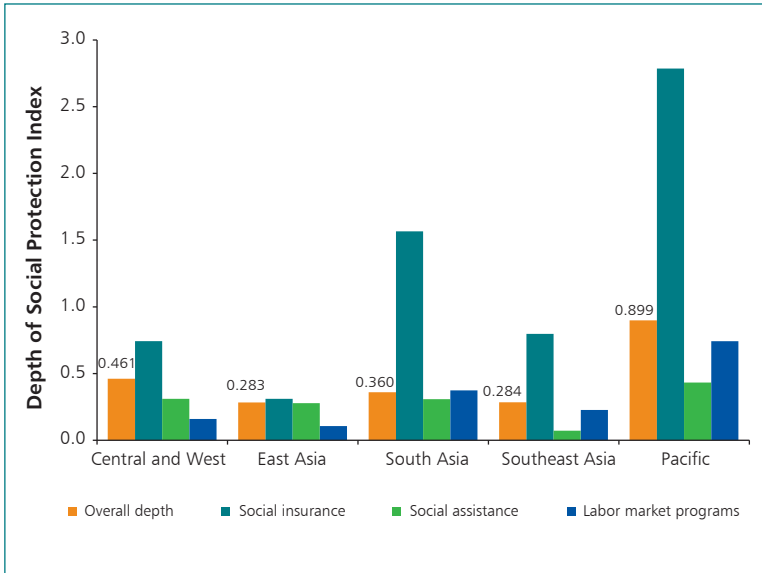
Source: ADB staff estimates based on SPI country reports (Appendix 2).

In countries such as Fiji, Papua New Guinea, Samoa, Solomon Islands, and Vanuatu, average social insurance benefits are quite large. In Papua New Guinea, Solomon Islands, and Vanuatu in particular they exceed GDP per capita (i.e., they are over 400% of poverty-line expenditures).

Also for the Pacific Island countries, the depths for both social assistance and labor market programs—0.433 and 0.743, respectively—are the highest in Asia and the Pacific. For labor market programs, for example, average benefits are about three-quarters of poverty-line expenditures. Thus, the size of the average benefits conferred by social protection programs in this region is significant across the board. Unfortunately, this result also implies that social protection in the Pacific Islands reaches a correspondingly small proportion of total potential beneficiaries. This is particularly remarkable for social assistance, which usually reaches a fairly significant proportion of potential beneficiaries—though usually with relatively low average benefits.

The second-highest depth of social protection expenditures—0.461—is in **Central and West Asia**, with its transition economies. The main

factor is, again, the *relative* size of social insurance benefits—at least relative to the size of benefits conferred by social assistance and labor market programs. The overall depth of social insurance for the region is 0.743 (or about 74% of poverty-line expenditures). Uzbekistan comes to the fore: its social insurance benefits represent 235% of poverty-line expenditures (or about 59% of GDP per capita).

Nevertheless, the average depth of social insurance benefits in this region is not exceedingly high—relative to the results for some other regions. The distinction of this region is that the depths of all three major programs tend to be in the medium range of values.

In **South Asia**, the average depth of all social protection is only 0.360. But the average depth of social insurance, in particular, is still 156% of poverty-line expenditures. The reason for this apparent contradiction is that the depths for social assistance and labor market programs in this region are much lower, at 0.307 and 0.374, respectively.

Countries that have made the most progress in social protection are marked out mainly by their breadth, not depth, of coverage

Both **Southeast Asia and East Asia** have the lowest average depths for all forms of social protection combined—0.284 and 0.283, respectively. This means that their average social protection benefit is about 7.1% of GDP per capita. East Asia, with the highest average GDP per capita, has a depth of social insurance of only 0.310, the lowest in Asia and the Pacific. Its depths for social assistance and labor market programs are also fairly low. For the latter, for example, the depth of 0.106 is the lowest among the five regions. Yet East Asia has the highest average SPI. This finding suggests that the countries that have made the most progress in providing social protection have distinguished themselves mainly by the breadth of their coverage of potential beneficiaries, not by the average size of the benefits that they have distributed.

In Southeast Asia, the region with the second-highest average GDP per capita, the picture is varied. The depth of social insurance is higher in this region than in East Asia but still below poverty-line expenditures, at 0.798. However, the depth of Southeast Asia's labor market programs, at 0.228, is much less than that for social insurance. Worse, however, the depth of social assistance is abysmal, at about 7% of poverty-line expenditures, leading to small social assistance benefits.

Breadth

On breadth of coverage (the proportion of intended beneficiaries who receive benefits), the results contrast with those for depth (Figure 4.2; Appendix 3, Table A3.8, provides country details).

The **Pacific Island** countries have the highest average depth and correspondingly the lowest breadth of coverage. In other words, while a few beneficiaries receive fairly substantial benefits, the great majority receive relatively small benefits, if any.

The average breadth for this region is only 0.117. This means that less than 12% of the potential beneficiaries of social protection actually receive any benefits, a situation most pronounced for social insurance. While the beneficiaries of social insurance receive average benefits equivalent to 279% of poverty-line expenditures, these recipients represent only 6.5% of all potential beneficiaries. The record of the Pacific Island countries on the breadth of coverage of social assistance is not markedly better. Only about 16% of potential beneficiaries of this form of social protection receive any benefits (even though these benefits represent about 43% of poverty-line expenditures).

Figure 4.2   Breadth of the Social Protection Index by Program
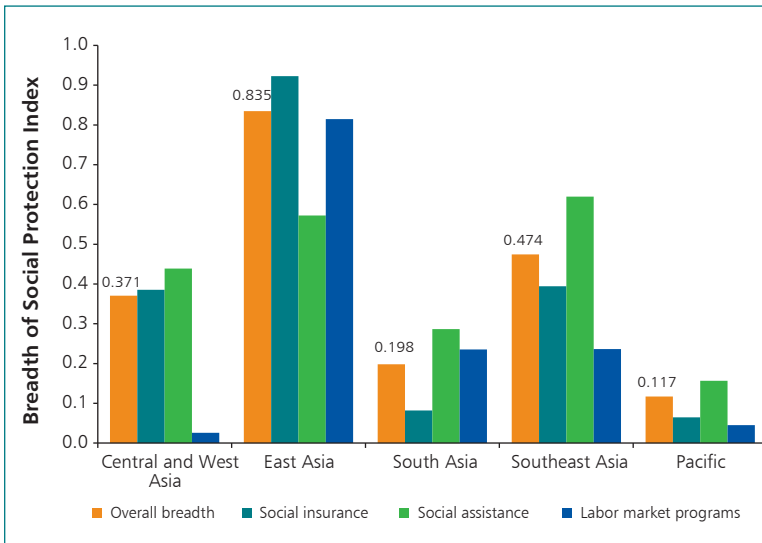
Source: ADB staff estimates based on SPI country reports (Appendix 2).

This proportion of recipients of social assistance is the lowest of any region. These results suggest that the Pacific Island countries need to review their social protection programs.

East Asia stands in sharp contrast to the Pacific Island countries. As noted, it has the lowest depth in Asia and the Pacific, yet (unsurprisingly) the highest breadth: 83.5% of all potential beneficiaries of social protection receive some benefits.

Its success in covering a broad segment of potential beneficiaries is most pronounced for social insurance, with breadth of about 92%. Breadth for social assistance is also among the highest in Asia and the Pacific, at about 57%. The region also attains very broad coverage for labor market programs of about 81%—the highest in Asia and the Pacific.

Where East Asia might need to improve is in broadening its social assistance programs and in increasing the average depth of all of its social protection benefits above its current 28% or so of poverty-line expenditures.

After East Asia, **Southeast Asia** achieves the next-highest breadth of coverage, of about 47%. But its success is most significant for social assistance (not social insurance), at about 62%. Still, the breadth for social insurance is also above average, at about 47%. But since many of the countries in this region are at least at middle-income level, they should be striving to boost their coverage rates substantially, by moving perhaps to more universal forms of social insurance.

While **Central and West Asia** has the second-highest depth, it also has the third-highest breadth, at about 37%. And, as noted above, for those who receive benefits, the average amount is about 46% of poverty-line expenditures. Coverage for both social insurance and social assistance is roughly 38%–44%, but for labor market programs it is only about 3%. The region's countries still need to make marked advances on all fronts, especially with active labor market programs.

South Asia has relatively low depth and breadth. While its average benefits for social protection represent 36% of poverty-line

expenditures, these quite small benefits reach only about 20% of all potential beneficiaries. This is why South Asia has a low average SPI—the lowest of any region. The social insurance breadth in particular is very low, at only a little over 8%, although for social assistance breadth is about 29%, and for labor market programs about 24% (mainly because of significant coverage rates in Bangladesh, India, and Sri Lanka).

But this region's moderately better social assistance cannot compensate for its overall poor performance. Its countries have to make a great deal of progress in improving their social protection systems, both in depth and in breadth.

Relationship between Depth or Breadth and GDP Per Capita

This section examines whether there is any statistically significant relationship between either depth or breadth, on the one hand, and GDP per capita, on the other. The result seems to be: no for depth, yes for breadth.

Regression analysis suggests no statistically significant relationship between the depth of social protection and the level of GDP per capita of a country. Poorer countries can record significant depth—relatively high average benefits—if they succeed in reaching only a small number of beneficiaries. This is particularly the case for social insurance, where a small number of the total population of workers in the formal sector receive decent pensions, for example, but the social protection benefits received by the rest of the population are meager.

> The distinctive characteristic of richer countries appears to be their broader coverage of social protection programs

There does seem to be a statistically significant relationship, though, between breadth and GDP per capita. In other words, the distinctive characteristic of richer countries appears to be their broader coverage of social protection programs.

Figure 4.3 depicts the relationship between breadth and the logarithm of GDP per capita for the 35 countries in the SPI sample. The three high-income countries—Japan, Republic of Korea, and

Figure 4.3: Breadth of the Social Protection Index and GDP Per Capita, 2009
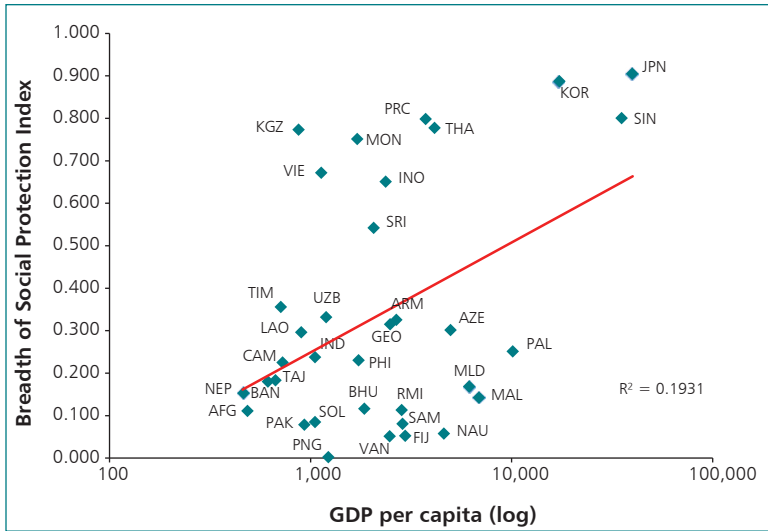
AFG = Afghanistan, ARM = Armenia, AZE = Azerbaijan, BAN = Bangladesh, BHU = Bhutan, CAM = Cambodia, FIJ = Fiji, GDP = gross domestic product, GEO = Georgia, IND = India, INO = Indonesia, JPN = Japan, KOR = Republic of Korea, KGZ = Kyrgyz Republic, LAO = Lao People's Democratic Republic, MAL = Malaysia, MLD = Maldives, MON = Mongolia, NAU = Nauru, NEP = Nepal, PAK = Pakistan, PAL = Palau, PNG = Papua New Guinea, PHI = Philippines, PRC = People's Republic of China, RMI = Republic of Marshall Islands, SAM = Samoa, SIN = Singapore, SOL = Solomon Islands, SRI = Sri Lanka, TAJ = Tajikistan, THA = Thailand, TIM = Timor-Leste, UZB = Uzbekistan, VIE = Viet Nam.

Note: The numbers on the horizontal axis are expressed in logarithmic form. The R-squared of the regression is 0.193 and the parameter for log of GDP per capita, the explanatory variable, is statistically significant (with a t-statistic of 2.81).

Source: ADB staff estimates based on SPI country reports (Appendix 2).

Singapore—tend to determine the positioning of the regression line at the top right-hand corner.

But more interesting is the clustering of another seven countries well above the regression line, which includes two upper-middle-income countries (the PRC and Thailand), four lower-middle-income countries (Indonesia, Mongolia, Sri Lanka, and Viet Nam) and one low-income country (Kyrgyz Republic). Apart from Sri Lanka, the breadth of social protection in this grouping of countries ranges roughly between 0.6 and 0.8 (60%–80% of all potential beneficiaries receive some benefits).

Finally, close to two-thirds of the 35 countries are below the regression line. They have a breadth of 0.3 or below even though most of them are upper- or lower-middle-income countries. Several Pacific Island countries stand out, with breadths of 0.1 or below, pointing to very narrow social protection systems.

In other words, as majority of the countries in Asia and the Pacific have such small breadths, the low coverage of social protection benefits is a major problem that needs to be addressed. Though reaching only a small number of the population is characteristic of social insurance in particular, this tendency also influences the allocation of both social assistance and labor market programs.

The low coverage of social protection benefits is a major problem that majority of the countries in Asia and the Pacific need to address

CHAPTER 5

Social Protection Programs: Important Subcomponents

Chapter 3 investigated the status of the three major forms of social protection in Asia and the Pacific. This chapter delves deeper by examining the various important subcomponents of each of these three programs (Table 1.1). This analysis confines itself to the size of expenditures (depth) and number of beneficiaries (breadth) of each of these subcomponents.

The purpose is to provide a general evaluation of the basic characteristics and resultant importance of each subcomponent. For example, some subcomponent, such as pensions, have a decisive influence on social protection as a whole. Others, such as disability benefits, are woefully inadequate, even as a form of social assistance.

Subcomponents of Social Insurance

The SPI classification disaggregates the data for social insurance into three main subcomponents: pensions, health insurance, and "other forms of social insurance" (such as unemployment insurance, severance pay, provident fund withdrawals, and maternity benefits). This section examines first these three subcomponents with regard to their expenditure shares in total social insurance.

Pensions

Across Asia and the Pacific, pensions are by far the largest of the three subcomponents of social insurance. They account for 65% of all social insurance expenditures, but only about 45% of beneficiaries (Figures 5.1 and 5.2; Appendix 3, Table A3.9).

Pension programs in Asia and the Pacific tend to be expensive relative to the number of beneficiaries they reach. In 2009 they accounted

Figure 5.1   Share of Social Protection Expenditures by Program and Major Components, 2009
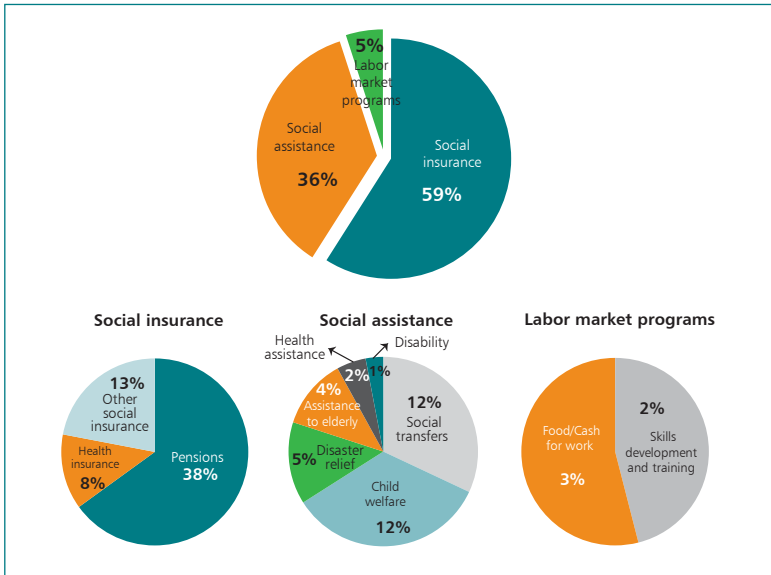
Source: ADB staff estimates based on SPI country reports (Appendix 2).

Figure 5.2   Share of Social Protection Beneficiaries by Program and Major Components, 2009
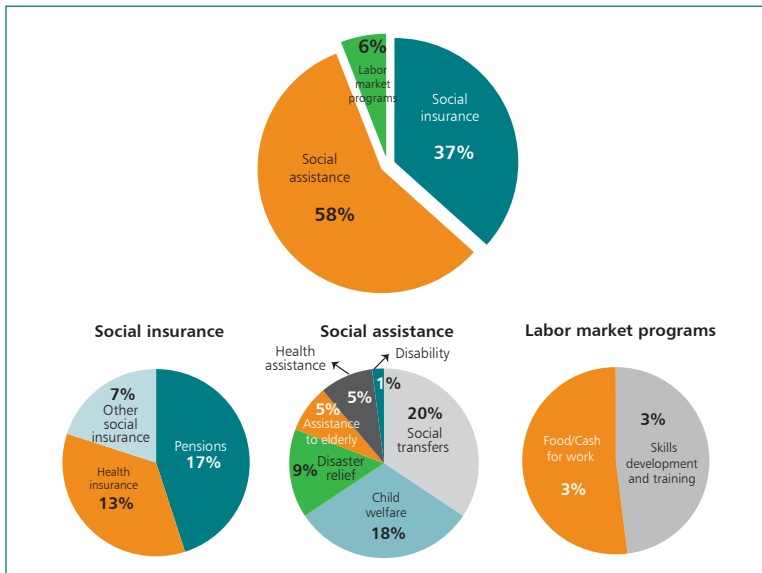
Source: ADB staff estimates based on SPI country reports (Appendix 2).

for 38% of all social protection spending, but covered only 17% of all social protection beneficiaries.

Most pension programs tend to be expensive relative to the number of beneficiaries

Civil service pensions are often the largest programs. Some of the countries for which spending on pensions (public or private) represented more than half of all social protection spending in 2009 are Azerbaijan, Fiji, Georgia, Malaysia, the Marshall Islands, Mongolia, Nepal, Pakistan, Solomon Islands, Sri Lanka, and Viet Nam.

The transition economies of Central Asia have inherited extensive and fairly generous pension systems as a result of their former membership in the Soviet Union. But these systems are now undergoing reforms as the populations age and the burden of financing pensions becomes greater (Box 5.1).

Pension coverage varies considerably across Asia and the Pacific. While high-income countries such as Japan effectively cover 100% of their population and countries of the former Soviet Union and Mongolia have relatively high coverage rates, in most other countries coverage varies between 20% and 40%.

Many of the countries with substantial pension programs, especially those in Central and West Asia (such as Armenia, Azerbaijan, Georgia, and the Kyrgyz Republic) are evaluating the cost-effectiveness and sustainability of these programs in light of their aging populations and a reduced contribution base. Some other countries, however, such as Nepal and Viet Nam, are moving in the opposite direction, progressively lowering criteria for eligibility for social pensions (noncontributory), including the retirement age, to increase access and extend benefits to more vulnerable groups.

Health Insurance

Health insurance accounts for about 13% of total social insurance spending, as against 35% of beneficiaries (Appendix 3, Table A3.9). Some countries are substantially expanding their health insurance systems.

The 13% proportion would be larger if the SPI project also counted expenditures attributable to free public health care. However, the SPI exercise has confined its attention to health insurance, whether partial or universal, as a form of social protection. Many such programs are

Box 5.1   Pension Systems in Central Asia: Armenia, Azerbaijan, and Uzbekistan

By far the greatest proportion of social protection spending in Central Asian countries is devoted to extensive pension systems. In Armenia, Azerbaijan, and Uzbekistan, for example, pensions alone average more than 45% of social protection spending. These countries also have some of the highest coverage rates. In all three countries pensions are intended to be universal, covering all those aged 60 years and older.

The transition economies of Central Asia share many common features, having had extensive social welfare and pension systems when they were part of the Soviet Union. After the dissolution of the Soviet Union, however, the political and economic restructuring of the 1990s brought a rapid end to the previous social protection systems. Faced with falling public expenditures, these three countries (like the others) undertook wide-ranging reforms of their pensions, including tightening eligibility criteria, increasing the retirement age, and changing from defined-benefits toward defined-contribution systems.

Pensions in Armenia accounted for 25% of all social protection spending in 2009 and were designed to cover all the population aged 60 years or older. Recently, however, Armenia's pension system has undergone significant reform. The previous noncontributory public system has been replaced with a contributory one and the pension age has been raised. Since 2011, therefore, only adults who are older than 63 years and have contributed for more than 10 years to their pensions will receive benefits.

In Azerbaijan pensions were equivalent to 4% of GDP in 2009. But the pension system has undergone a number of reforms to raise more funds from individual contributions and gradually increase the retirement age. Now only men over the age of 62 and women over the age of 57 who have made at least 12 years of contributions are entitled to pensions. By 2010, monthly pension benefits had increased to 100 manats ($130) per person per month, 240% higher than in 2007 (Nazarov 2011).

Uzbekistan's pension system has not undergone the same kind of reforms. Its pension system consists of two pillars: a pay-as-you-go defined-benefit scheme and a mandatory funded defined-contribution scheme. Retirees can generally begin drawing on their pension when they reach the age of 60 for men and 55 for women and have made at least 25 and 20 years of contributions, respectively.

As these countries' populations age, governments are confronted with rising pension costs, and as they have begun to cut back on benefits, the impact on poverty is starting to be seen. In Azerbaijan, for example, pension payouts have not kept pace with increases in the cost of living. Similarly, in Armenia the average pension was just barely sufficient to keep an elderly person out of severe poverty in 2009 (Handayani and Babajanian 2012).

contributory schemes and thus are categorized as forms of insurance. (See Appendix 3, Table A3.10, for data on total public expenditures on health care as a ratio to GDP.)

Health insurance is universal, or quasi-universal, in a number of countries in Asia and the Pacific, such as the PRC, Japan, and the Republic of Korea. The PRC's rural health insurance system is a social insurance program seeking to become universal in a country that still has a large rural population (Box 5.2). Indonesia's efforts to expand its social health insurance program, targeting the poor, are worth a review.

Box 5.2   Jamkesmas Social Health Insurance in Indonesia

Jamkesmas is the centerpiece of the government's plans to achieve universal health coverage through a mandatory public health insurance program. Run by the Ministry of Health, it began in 2008 as a free health insurance program targeting families living below an income threshold developed through SUSENAS (the country's annual household survey). Despite a steadily declining poverty rate after the 1997/98 crisis, in 2009 14.2% of the population (around 32.5 million people) was still living below this poverty line.

The cost of the program accounted for only about 7% of Indonesia's total social protection spending in 2009. It sought to reach 76.4 million people, or about one-third of the total population. The cost to the government per insured individual amounted to Rp 6,250 (roughly $0.7).

However, the generosity and breadth of coverage of the Jamkesmas program has attracted beneficiaries beyond those intended, including some already covered by other health insurance. According to a World Bank (2012) assessment, Jamkesmas utilization rates are higher among households that are more familiar with the system and incur lower costs in gaining access to its health care. The poorest households are often confused about their own eligibility and entitlements. So these findings have raised questions about the program's success in targeting benefits. The 2012 World Bank study also found that Jamkesmas reaches 41% of poor households but central and local government occasionally duplicate administrative processes so that there are mismatches and errors in identifying eligible households.

The future success of the program relies on the ability of the government to ensure that the poorest households have access to the health-care services they need. Besides improving targeting and administrative aspects, the government must consider how to address the rising costs associated with trying to gain access to health care itself—for example, child-care and transportation costs (World Bank 2012). Such costs appear to impede many poor households from making the most of the program.

Other Forms of Social Insurance

This residual category accounts for the remaining 22% of social insurance spending, similar to its 20% share of beneficiaries (Appendix 3, Table A3.9). This category includes a number of elements, including unemployment insurance, as well as severance payments and work injury insurance. These expenditures are customarily categorized as passive labor market programs. However, in Asia and the Pacific, they account for only about 1% of all social insurance expenditures.

In some of the richer countries and transition economies, passive labor market programs can be significant. In such countries, unemployment benefits can play a useful countercyclical role, as in the Republic of Korea (Box 5.3).

Box 5.3   Program of Unemployment Benefits in the Republic of Korea

Unemployment benefits (UBs) are part of the country's broader Employment Insurance System (EIS). The EIS consists of three programs: the Employment Stabilization Program (ESP) and the Vocational Ability Development Program (VADP), as well as UBs.

The first two are active labor market programs. The ESP has temporary measures, including reductions in working hours or shift work, in response to conditions that could otherwise result in large-scale layoffs. The VADP provides various financial incentives to encourage employers to support employee training. UBs represent a passive program, which is categorized under social insurance by the SPI project. These benefits are paid to an unemployed worker for a limited period of time in order to allow him or her to sustain a minimum standard of living while searching for a new job. The program consists of three separate components: standard job-seeking allowances; extended job-search benefits for those participating in vocational training once the standard allowances have expired; and employment promotion allowances that are still paid to individuals even after they are employed because they have found a new job quickly.

Though the UB program in the Republic of Korea is relatively small, as it represents only about 5% of all social protection spending, it has proved to be particularly important during economic downturns. In general, both the number of UB recipients and the cost of their benefits have been increasing as the program's coverage has expanded. Between 1998 and 2008 the cost of the UB program increased from 0.17% to 0.28% of GDP while the number of workers covered increased threefold (S. T. Kim 2010).

Evidence suggests that the increased coverage of unemployment benefits after the Asian financial crisis helped ensure that the impact of the 2008 global financial crisis on workers was less severe. While in 1998 only about 14% of businesses were covered by the program, by 2008 that figure had reached about 45%.

However, more recently the government has acknowledged that there are still a significant number of irregular workers, including part-time, contract, and self-employed workers, who are not covered by unemployment benefits. In 2009 this category represented over a third of the workforce. Hence, their inclusion in a comprehensive unemployment insurance system should be a priority (M. J. Kim 2010).

Unemployment benefits have also played an important role in Armenia, where they account for 86% of all expenditures on labor market programs, and 6.6% of all social protection expenditures. Armenian unemployment benefits stand at 60% of the national minimum wage and are offered for 1 year. However, workers need to be insured for at least 1 year to qualify. Partly as a result, only about 30% of all of the unemployed in Armenia actually received benefits in 2009. (Active labor market programs are discussed later in this chapter.)

Maternity benefits also come under this category but are not widespread across Asia and the Pacific. Moreover, they are usually confined to a small proportion of working women. Such programs exist, however, in Armenia, Azerbaijan, the PRC, the Philippines, Thailand, Vanuatu, Viet Nam, and Uzbekistan, for example.

In the PRC maternity insurance covers women in urban enterprises and is financed by employers. In 2009, 108 million women were covered by such insurance and 7 million women directly benefited. In Thailand employed women receive a lumpsum benefit (worth $379) at childbirth and can receive half of their salary in unemployment benefits for 90 days. This program is financed equally by employees, employers, and the government. In 2009 almost 300,000 women received such benefits.

Subcomponents of Social Assistance

Social assistance can be disaggregated into six subcomponents. The most important are social transfers (cash or in kind) and child welfare.

Two other distinctive forms of social assistance are disability benefits and disaster relief. Social assistance to the elderly (such as old-age allowances) and health assistance for the poor or vulnerable (such as reduced medical fees) could have been grouped under social transfers but are classified separately for the SPI exercise.

Social Transfers

Social transfers, a category that is rising in importance in Asia and the Pacific, account for 32% of all expenditures on social assistance (Appendix 3, Table A3.9). They account for 34% of all social assistance beneficiaries.

Such assistance includes both conditional and unconditional cash transfers. It also encompasses some in-kind transfers, such as food stamps or food subsidies targeting the poor or vulnerable. Such transfers usually target the income-poor or other vulnerable groups, such as children or the elderly. In these particular cases, the SPI project has included such transfers under the category of child welfare or assistance to the elderly.

In addition to a few Pacific Island countries, such as Fiji, Nauru, Samoa, and Vanuatu, which implement social transfer programs that represent a significant share of total social assistance, some countries such as Cambodia, India, and Nepal also devote a significant share of social assistance expenditures to such purposes. In India, for example, the transfers include one-off payments for rural house construction for poor and marginal groups, and targeted rice and wheat subsidies for those households living below the poverty line.

In Cambodia, social transfers entail emergency food provision for certain vulnerable groups, while Nepal has recently expanded its cash transfer programs, attempting to reach out to a broader segment of poor and vulnerable groups, such as the elderly, single women, and indigenous peoples. It has also recently introduced a child grant. Overall, these transfers account for about one-fourth of all social protection beneficiaries in the country. In Southeast Asia, the Philippines has been implementing a similar transfer program since 2007. In 2009 it reached 3.9 million beneficiaries (Box 5.4).

Box 5.4. Conditional Cash Transfers in the Philippines

The Conditional Cash Transfer Program in the Philippines, commonly known in the country as Pantawid Pamilya, is a poverty reduction strategy that provides cash grants to supplement incomes of poor households, if they meet conditions related to health and education. It has two objectives: social assistance (to provide cash assistance to the poor to meet their immediate needs) and social development (to invest in human capital to break intergenerational poverty).

From its launch in February 2008 in four municipalities and two cities with 6,000 household beneficiaries, Pantawid Pamilya now covers 1,261 municipalities and 178 cities with over 3 million household beneficiaries,[a] becoming the leading program in the government's social protection efforts.

A survey of 3,742 households noted positive changes in savings and consumption patterns (Chaudhury, Friedman, and Onishi 2013). It also found that Pantawid Pamilya has increased school enrollment and school attendance of young children. Among preschool- and day-care-aged children (3–5 years old), enrollment was 10.3 percentage points higher among poor children in Pantawid barangays than the 65% elsewhere, 98% of Pantawid children aged 6–11 attended school versus 93% from non-Pantawid households, and Pantawid children aged 6–14 had higher school attendance (95%–96% versus 91%).

Pantawid Pamilya also had a positive impact on children's health, lowering the rate of severe stunting among poor children aged 6–36 months old by 10.1 percentage points (from the 24% in non-Pantawid barangays). The program has also increased the number of pregnant mothers seeking antenatal care and children using deworming services and vitamin A supplements (Chaudhury, Friedman, and Onishi 2013).

[a] Pantawid Pamilyang Pilipino Program. http://pantawid.dswd.gov.ph/index.php/about -us?start=1

Child Welfare

At 34% child welfare accounts for slightly more of the total expenditures on social assistance than social transfers but, at 31%, for a slightly lower share of beneficiaries (Appendix 3, Table A3.9). This subcomponent may include universal programs, such as school lunch programs, or special targeted programs, such as scholarships

for poor students, allowances for orphans, or programs for street children. Because children younger than 15 can be a large group, expenditures under this subcomponent are often significant in Asia and the Pacific.

Armenia is an example of a country with a generous child welfare program, devoting substantial expenditures to child-care services. Afghanistan has a food-for-education program that accounts for a large proportion of its total social protection spending. Other countries with sizable programs are Fiji, the Marshall Islands, Mongolia, Palau, Tajikistan, and Uzbekistan.

Disaster Relief

The third-most-important subcomponent of social assistance is disaster relief, accounting for 14% of expenditures and 15% of beneficiaries (Appendix 3, Table A3.9). This subcomponent often covers a range of impact, including adverse effects of internal conflicts, the longer-term problem of displaced populations, and crises caused by natural disasters. While expenditures on disaster relief fluctuate widely, sustained interventions are sometimes necessary to deal with longer-term social consequences.

One of the problems in gauging the scale of disaster relief is obtaining reliable data on total expenditures and beneficiaries. Estimating the size of the *intended* beneficiaries—those affected by a particular disaster—is particularly challenging.

Expenditures on this subcomponent have been sizable in, for example, Azerbaijan, Bangladesh, Bhutan, Georgia, Lao People's Democratic Republic, the Solomon Islands, and Sri Lanka. Among them, the largest program by share of total social protection spending is in Azerbaijan at 13%, or over 49% of social assistance spending, which reflects a postwar society.

In Bangladesh and the Solomon Islands, disaster relief represents about 19% of all social protection expenditures; in Bhutan, about 13%. In Bangladesh, disaster relief accounts for about two-thirds of all social assistance beneficiaries and about half of all social protection beneficiaries. Assistance takes the form mainly of temporary food relief (such as rice or wheat rations) for people affected by common natural disasters, such as cyclones, floods, and tornadoes (Box 5.5).

Box 5.5   Disaster Relief Programs in Bangladesh

Bangladesh's expenditure on disaster relief has been a major part of its social assistance system, accounting for 19% of social protection spending in 2009. Almost 18 million people (roughly 12% of the population) were beneficiaries of such relief that year.

Bangladesh is frequently hit by floods and cyclones but the expenditures in 2009 reflected the twin impact of floods and cyclone Sidr in late 2007. These disasters destroyed crops and homes in rural areas, killed at least 4,400 people, and displaced millions.

Bangladesh's disaster relief is administered through three major programs: Vulnerable Group Feeding, food-based Gratuitous Relief, and a housing benefit for disaster-affected people.

Initiated by the World Food Programme, the Vulnerable Group Feeding program has been taken over by the government and broadened to provide food assistance and prevent malnutrition among poor people affected by natural disasters. A community-targeting approach helps to identify beneficiaries, who receive 10 kilograms of food grains per month for 3 months following a disaster. The Gratuitous Relief program is a short-term, immediate-response program. It can provide up to 10 kilograms of food grain per person per month, or cash.

The housing benefit covers house repairs or support for reconstruction following major disasters. It targets the poor and distressed households identified for relief at the community level. The size of benefits is usually around Tk2,000–Tk10,000 ($24–$120) per household. However, in exceptional circumstances (such as following cyclone Sidr) some households may receive Tk20,000.

While some progress in improving program coverage is still needed, current beneficiaries are generally satisfied with the support. A recent study that compared data from before and after the receipt of disaster assistance showed that such relief has halved hunger and that recipient households have been able to significantly reduce their chances of falling into poverty (Rahman and Choudhury 2012).

In 2009 Bhutan was hit by both a major cyclone (causing widespread flooding) and a major earthquake. These two natural disasters taken together imperiled about 25,000 people and damaged about 5,000 residences. The government responded with food, clothing, temporary shelter, and income support and it received additional international assistance to reconstruct damaged social and economic infrastructure.

Assistance to the Elderly

The fourth-most-important subcomponent by spending (12% of social assistance) is assistance to the elderly, which covers a somewhat smaller share of beneficiaries (about 8%) (Appendix 3, Table A3.9).

In countries as disparate as Japan, the Maldives, Nauru, Nepal, Singapore, and Thailand, this subcomponent accounts for 30% or more of social assistance spending. In countries with rapidly aging populations, such expenditures (along with standard pension programs) are bound to be particularly important. Across Asia and the Pacific this type of assistance most frequently takes the form of cash allowances for those 60 years and older.

Social pension as a form of assistance is becoming more widespread (Handayani and Babajanian 2012, 281). One of its advantages is that it often strives for universal coverage of the elderly, as with the Old Age Allowances in Thailand.

When assistance to the elderly is combined with regular pensions (which are part of social insurance), their combined share of total social protection expenditures rises to 43% and their combined share of all social protection beneficiaries rises to 15% (Table 5.1).

Table 5.1   Combined Shares of Total Social Protection: Labor Market, Health, and Programs for the Elderly (%)

Program/Component		Expenditure (%)	Beneficiaries (%)
Programs targeting the elderly	Total	43	15
	Pension	39	12
	Assistance	4	3
Health-related programs	Total	10	18
	Health insurance	9	13
	Health assistance	1	5
Labor market programs (LMP)	Total	6	7
	Active LMP	5	6
	Passive LMP	1	1

Source: ADB staff estimates based on SPI country reports (Appendix 2).

Health Assistance

Health assistance accounts for only 5% of social assistance expenditures, on average but about 9% of beneficiaries (Appendix 3, Table A3.9). It can be fairly important in some countries, as in Cambodia, the Republic of Korea, and Singapore, where expenditures range between 14% and 30% of social assistance spending. In Cambodia, health assistance is directed toward maternal and child health and nutrition, medical allowances for AIDS patients, and food aid to tuberculosis victims. As a share of total social assistance there, health assistance accounts for about 28% of expenditures and 55% of beneficiaries. Health assistance in most countries targets specific groups. In Nepal it targets new mothers while in Tajikistan it provides the poorest households with exemptions from co-payments for health services.

When health assistance is combined with health insurance, their share of social protection spending rises to 10%, and of beneficiaries to 18% (Appendix 3, Table A3.9).

Disability Programs

Across Asia and the Pacific, disability programs account for only 3% of expenditures on social assistance and 2% of beneficiaries, though in some countries they can be significant, as in Japan, Nauru, Singapore, Tajikistan, and Uzbekistan, where the share of expenditures in social assistance spending ranges between 10% and 30%.

Japan has extensive disability programs. Its welfare program for the disabled constitutes about 13% of all social assistance expenditures and reaches 6.6 million beneficiaries, or about 91% of disabled people and about 27% of social assistance beneficiaries. Japan also has an employment program for the disabled (included under labor market programs) that reaches another 221,000 beneficiaries.

Uzbekistan also has a solid record. It reports providing benefits (both social assistance and disability pensions) to about 750,000 disabled people and the corresponding expenditures represent about 18% of its social protection spending.

Some countries, including the Marshall Islands, Palau, Samoa, and Vanuatu, also provide pensions for the disabled, which are categorized

under social insurance. Disability pensions are also common in some transition economies such as Azerbaijan and Georgia (as well as Uzbekistan).

When both social assistance and pensions for disabled people are added, aggregate expenditures rise to only a little over 2% of social protection spending. The average ratio of beneficiaries to the total number of disabled people in Asia and the Pacific is only about 15%. Hence, the record of social protection programs with regard to this particular form of social assistance needs substantial improvement.

In about two-thirds of countries in Asia and the Pacific, social protection for disabled people is virtually nonexistent

Indeed, according to SPI data, 12 countries (of the 35) seem to spend nothing on disabled people, while another 11 spend less than 1% of all social protection spending (social assistance or insurance) on disabled people. In short, in about two-thirds of countries in Asia and the Pacific social protection for disabled people is virtually nonexistent.

Subcomponents of Labor Market Programs

Expenditures on active labor market programs account for about 5% of total spending on social protection (Appendix 3, Table A3.9). When unemployment insurance, severance payments, and other types of such passive programs are included, the combined share rises only slightly, to 6%. The figures are only little changed for beneficiaries—6% and 7%.

In Afghanistan, active labor market programs as a whole account for 23% of social protection expenditures (Box 5.6), in Bangladesh about 36%, in Cambodia about 17%, and in India about 40%. The corresponding figures for beneficiaries are 18%, 23%, 3%, and 14%, respectively.

Labor market programs are composed of two major subcomponents: cash- or food-for-work programs, and skill development and training. These two subcomponents are usually regarded as active labor market programs.

Cash- or food-for-work programs account for a bigger share of spending than skill development and training, at about 54% versus 46% (Appendix 3, Table A3.9). On beneficiaries, the two types have

Box 5.6   Food-for-Work Program in Afghanistan

The Food-for-Work (FFW) program, supported by the World Food
Programme, seeks to address high unemployment, particularly in the
wake of the return of over 3 million refugees since 2001. Its projects
provide communities with food as an incentive for participating in
infrastructure projects.

The program tries to reach the most vulnerable households by
offering food rations that are worth less than a day-laborer's wage
rate. And local communities are organized to actively decide on the
selection of the most useful infrastructure project.

Evaluations suggest that the FFW has helped maintain "beneficiaries'
stressed food budgets at coping levels and [provided] a temporary
top up to livelihoods." In addition, the FFW is credited with benefiting
"the community at large though the assets created/rehabilitated"
(both quotes from WFP [2009], v).

More than 5,800 skilled and unskilled workers have been involved
in building such infrastructure, which will ultimately benefit about
50,000 people in 25 villages. There are currently over 100 such
projects in food-insecure areas of Afghanistan, creating assets such
as dams and irrigation systems, as well as road networks that can
link villages to larger markets. The SPI project documented that
about 841,000 people benefited from such projects in 2009 alone.
However, the World Bank (2005) identified weaknesses: for example,
wealthy Afghan households also took part, and some participants
preferred cash to food.

slightly more equal shares—52% versus 48% (although in most
individual countries, one of these two subcomponents is usually
dominant).

Where labor market programs have become significant, most cash- or
food-for-work programs have been expanded, notably in Afghanistan,
Bangladesh, and India, and even Cambodia. In these countries, cash- or
food-for-work programs account for 92%–100% of expenditures on
labor market programs.

In Afghanistan and India, employment guarantee schemes have had
the advantage not only of providing rural workers with food or cash
but also of contributing to building badly needed rural infrastructure,
such as river embankments in Afghanistan and rural roads in India.

A few countries, such as Bhutan, the Maldives, the Marshall Islands, the Solomon Islands, and Vanuatu, have only programs for skill development and training. In these countries, labor market programs are fairly small, averaging less than 1% of all social protection spending.

In a few countries, such as the Republic of Korea and the Philippines, skill development and training programs are significant, accounting in the former country for about 8% of all social protection expenditures and about 7% of such beneficiaries. The Republic of Korea's training programs are manifold and seek to provide vocational and job-specific skills for targeted groups such as older or vulnerable workers.

Labor market programs feature little in Asia and the Pacific, with the partial exception of South Asia

Labor market programs do not figure prominently, therefore, in most social protection systems in Asia and the Pacific. Active programs are gaining in importance in some countries, particularly in South Asia, but such countries remain a small number. Moreover, most passive programs, such as unemployment insurance, are quite small, and play a significant role in only a few higher-income countries such as Japan and the Republic of Korea.

Poverty Impact of Social Protection

Introduction

This chapter presents results on the distributional impact of social protection expenditures on the poor and the nonpoor for the SPI sample of 35 countries in Asia and the Pacific. (Chapter 7 examines the distributional impact on women and men.)

Unlike the other results on social protection in this report, these distributional results should be regarded as indicative rather than as firm results based on official data. The reason is that in many cases the data could not be derived from official administrative sources, as was the case for other aspects of the SPI.

Instead, the national consultants who gathered the data had to rely frequently on informed estimates from government officials, program directors, and other knowledgeable practitioners. Additionally, in some cases they might have been able to derive estimates based on indirect sources, such as data from censuses, labor force surveys, and household income and expenditure surveys.

While regarding these results as provisional, the authors still believe that presenting them in their present form helps serve an important purpose—collecting such data should be, in fact, a regular activity of governments since it would be very useful in evaluating the general success of their social protection programs.

The Relative Impact on the Poor and the Nonpoor

On the relative impact of social protection expenditures on the poor and the nonpoor, the essential principle is that social protection

expenditures per potential beneficiary (the basic ratio of the SPI) are disaggregated among the poor and the nonpoor. This disaggregation is very similar in its essential aspects to the disaggregation of the SPI by major program, i.e., social insurance, social assistance, and labor market programs.

The SPI is disaggregated, in this case, into two subcomponent SPIs: an SPI for the poor (SPI_p) and an SPI for the nonpoor (SPI_{np}). Each has a population weight, and so can be added to produce the overall SPI. The SPI_p provides the best overall picture of the condition of the poor because it combines the poor's population weight (the ratio of the poor to all potential beneficiaries of social protection) with the relative benefits that the poor receive (the ratio of total benefits per poor person, normalized by poverty-line expenditures). It is important to underline the general point that the size of the SPI_p depends on its population weight: the poor as a ratio to total potential beneficiaries (both poor and nonpoor) (Table 6.1). So, even though the total social protection expenditures per potential beneficiary might be higher for the poor in a significant number of countries, the poor might represent a relatively small proportion of all potential beneficiaries.

For the SPI_p the population weight is the total number of poor as a ratio to all potential beneficiaries of social protection (not to the total population). By their very nature the poor are the intended beneficiaries of social protection (social assistance in particular). Similarly, for the SPI_{np} the population weight is the total number of nonpoor potential beneficiaries of social protection as a ratio to all potential beneficiaries (poor or nonpoor). Appendix 1 provides the mathematical expression of these two poverty-related SPIs.

What are the detailed results of disaggregating the SPI by poor and nonpoor? This chapter focuses on the overall comparative SPIs for the poor and the nonpoor and supplements this information with a comparative analysis of the results for the three major programs of social protection, i.e., social insurance, social assistance, and labor market programs.

One generally finds that the nonpoor benefit disproportionately from social insurance because such benefits are frequently tied to formal employment and are often based on contributory schemes. In contrast, social assistance is more focused on the poor, especially because such assistance has often been provided through national poverty reduction programs since the late 1990s.

However, it is not clear, a priori, what the likely distributional impact of active labor market programs would be. In some cases, such as in India, they are clearly targeted to poorer workers. But, in general, the design of such programs is usually geared to the unemployed, who are often, in fact, not drawn from the poor population.

Social Protection Indices for the Poor and the Nonpoor

Not surprisingly, the SPIs for the poor are much smaller than those for the nonpoor, mainly because of the impact of social insurance (Figure 6.1 gives overall results while Appendix 3, Table A3.11 provides details by region and by country). When the SPI_p is taken as a ratio to the overall SPI (the SPI_p + the SPI_{np}) for each region in Asia and the Pacific, the resultant proportions do not vary significantly. For example, they range from 18.7% in Southeast Asia to 23.2% in East Asia. These SPIs are, however, based on the respective population weights for the poor and the nonpoor: the poor are usually a much smaller proportion of all potential beneficiaries than the nonpoor.

Figure 6.1   Social Protection Index by Poverty Status and Program, 2009
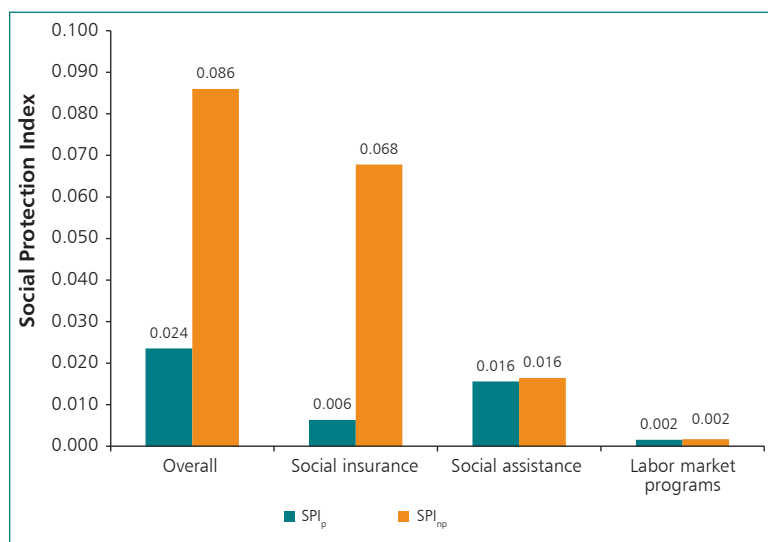
SPI_p = Social Protection Index for the poor, SPI_{np} = Social Protection Index for the nonpoor.
Source: ADB staff estimates based on SPI country reports (Appendix 2).

In Central and West Asia, South Asia, and the Pacific Islands, the poor clearly benefit disproportionately from social assistance. For example, in Central and West Asia the SPI_p for social assistance is 0.028, which accounts for 80% of the overall SPI_p of only 0.035. The situation is similar in South Asia, where the SPI_p for social assistance (0.009) accounts for about 69% of the overall—but very small—SPI_p (0.013). In the Pacific Islands, the SPI_p for social assistance is relatively large, i.e., it accounts for 87% of the overall SPI_p, meaning that in this region, most of the social protection expenditures for the poor go to social assistance.

In East Asia, the SPI_p for social assistance is very similar to the SPI_p for social insurance (0.028 versus 0.026). In Southeast Asia, the SPI_p for social assistance and the SPI_p for social insurance are the same, namely, 0.008. But even in East Asia, for instance, the SPI_p for social assistance is significant in some countries. In the PRC, for example it is 0.010, whereas the SPI_p for social insurance is only 0.001. This result is largely due to such extensive social assistance programs as the Minimum Living Allowance, which is provided to millions of poor households in urban and rural areas (Box 6.1).

Box 6.1   Minimum Living Security System in the People's Republic of China

Roughly 13% of the People's Republic of China's total social protection spending is devoted to social assistance. The largest component is a program that provides the poorest in rural and urban areas with a minimum living allowance. This program accounts for 47% of all social assistance. Introduced in 1999 the program initially covered only the poorest households in urban areas but was extended in 2007 to the rural areas. The cash grants under the Minimum Living Security System are unconditional transfers paid by the government to poor families with per capita income below the minimum living standard. Urban and rural households also receive differing levels of financial support from the scheme. Urban households receive on average CNY128 (~$20) per month while rural households receive less than half of this amount (Mai 2011).

In 2012, total beneficiaries reached 75 million, about 5.5% of the population. An estimated 29% of total beneficiaries reside in urban areas and 71% in the rural areas (Peng 2013).

The opposite is the case for the nonpoor. Social insurance tends to dominate the SPI_{np} in all five regions in Asia and the Pacific. This is particularly the case in East Asia, the richest region, where the SPI_{np} for social insurance (0.169) accounts for about 91% of the overall SPI_{np} (0.184), showing that most of the social protection expenditures on the nonpoor in this region are on social insurance. In Southeast Asia the SPI_{np} for social insurance accounts for over 89% of the overall SPI_{np}.

However, this domination of social insurance is less pronounced in South Asia and the Pacific Islands. In the Pacific Islands the SPI_{np} for social insurance accounts for only 66% of the overall SPI_{np} while the SPI_{np} for social assistance accounts for 32%. The story is similar in South Asia, where the SPI_{np} for social insurance accounts for 60% of the overall SPI_{np}. So in these two regions social assistance does have some importance for the nonpoor as well as the poor.

Labor market programs are generally negligible for both the poor and the nonpoor in most of Asia and the Pacific. Even in East Asia, where the results for labor market programs are more noticeable, the nonpoor still benefit more than the poor from such programs: in this region the SPI_{np} is 0.004 but the SPI_p is 0.001. This reflects the importance of passive labor market programs, such as unemployment insurance.

Labor market programs most likely to reach the poor seem to be large cash- or food-for-work initiatives

However, there is no divergence in South Asia: the SPI_p and SPI_{np} for labor market programs are the same, 0.003. This effect is due to the influence of large active labor market programs in such countries as Bangladesh and India. In these countries labor market programs are more important for the poor than social assistance. Though not conclusive, this result suggests that the labor market programs most likely to reach the poor and other lower-income groupings are large cash- or food-for-work initiatives.

Disaggregating the Social Protection Indices for the Poor and the Nonpoor

In order to gain a more thorough understanding of the distributional impact of social protection on the poor and the nonpoor, both

the SPI$_p$ and the SPI$_{np}$ need to be "unpacked" into their two basic dimensions:

- The ratio of total benefits received by either poor or nonpoor potential beneficiaries (normalized by poverty-line expenditures); and

- The respective population weights of these two groups: the poor (who, by their nature, are potential beneficiaries of social assistance) and the nonpoor potential beneficiaries, both as ratios to the total potential beneficiaries of social protection.

What might be surprising is that in 25 of the 35 countries in the SPI sample, the poor receive more benefits, relative to poverty-line expenditures, than the nonpoor (Table 6.1). In the Republic of Korea, for example, the poor receive about 60% of poverty-line expenditures (or about 15% of average GDP per capita), nonpoor potential beneficiaries about 17%. But as the poor make up a smaller share of all potential beneficiaries of social protection than the nonpoor (17% versus 83%), their share of total expenditures is smaller.

The poor receive more benefits, relative to poverty-line expenditures, than the nonpoor in most countries

Table 6.1. Unweighted Ratios of the Poor Relative to 25% GDP Per Capita, 2009

Country	Unweighted Ratios Relative to 25% GDP Per Capita		Share of Total Potential Beneficiaries (%)	
	Poor	Nonpoor	Poor	Nonpoor
Afghanistan	0.095	0.034	21.0	79.0
Armenia	0.084	0.085	22.7	77.3
Azerbaijan	0.484	0.159	8.5	91.5
Bangladesh	0.066	0.036	23.5	76.5
Bhutan	0.035	0.037	17.7	82.3
Cambodia	0.040	0.015	20.8	79.2
China, People's Rep. of	0.219	0.134	5.2	94.8
Fiji	0.064	0.059	27.5	72.5
Georgia	0.319	0.114	11.3	88.7

Table 6.1 *continued*

Country	Unweighted Ratios Relative to 25% GDP Per Capita		Share of Total Potential Beneficiaries (%)	
	Poor	Nonpoor	Poor	Nonpoor
India	0.067	0.045	28.0	72.0
Indonesia	0.047	0.044	13.2	86.8
Japan	1.497	0.312	8.8	91.2
Korea, Rep. of	0.602	0.168	7.3	92.7
Kyrgyz Rep.	0.279	0.129	15.1	84.9
Lao People's Democratic Republic	0.033	0.025	17.9	82.1
Malaysia	0.374	0.146	4	96.0
Maldives	0.144	0.065	9.7	90.3
Marshall Islands	0.086	0.184	18.4	81.6
Mongolia	0.198	0.208	17.0	83.0
Nauru	0.066	0.028	20.6	79.4
Nepal	0.042	0.075	20.9	79.1
Pakistan	0.033	0.051	18.9	81.1
Palau	0.060	0.169	21.3	78.7
Papua New Guinea	0.000	0.007	34.1	65.9
Philippines	0.087	0.084	17.3	82.7
Samoa	0.092	0.060	19.0	81.0
Singapore	0.267	0.153	14.3	85.7
Solomon Islands	0.030	0.049	18.9	81.1
Sri Lanka	0.188	0.115	8.6	91.4
Tajikistan	0.025	0.048	37.5	62.5
Thailand	0.438	0.096	6.9	93.1
Timor-Leste	0.262	0.103	23.2	76.8
Uzbekistan	0.370	0.338	16.4	83.6
Vanuatu	0.046	0.021	15.0	85.0
Viet Nam	0.230	0.129	8.2	91.8
Average	**0.199**	**0.101**	**17.1**	**82.9**

GDP = gross domestic product.
Source: ADB staff estimates based on SPI country reports (Appendix 2).

In Thailand, the poor receive about 44% of poverty-line expenditures; the nonpoor, about 10%. (Box 6.2 discusses Thailand's poverty-focused cash transfer program, which it launched in 2009 in response to the repercussions of the global financial crisis.)

The pattern of relative benefits is interesting since it is likely to represent a situation in which many nonpoor households are receiving relatively few benefits, as well as relatively small ones from social protection. They are the "missing middle" of social protection systems, households that are neither in a position to benefit from social insurance (because they might not be employed in the public sector or large private sector firms) nor in a position to benefit from social assistance (because they are not identified as poor).

> Many nonpoor households—the "missing middle"—receive few benefits from social protection

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Box 6.2   Chek Chuay Chaat Program in Thailand: Cash Transfers for the Poor

In 2009 most of Thailand's social protection spending was devoted to social insurance, primarily public and private sector pension systems and a health insurance plan. However, almost 7% of its social protection spending was targeted to the poor, in the form of the Chek Chuay Chaat (or Cash Transfers to the Poor) program.

This project provided short-term, one-off transfers to almost 15% of the population (over 9 million people) in 2009. Its aim was to support the poor, as well as to help impart an economic stimulus to counteract the effects of the 2008–2009 global economic downturn.

The program provided a single donation of B2,000 ($60) to each individual whose monthly income was less than B15,000 ($440). However, in order to participate in the scheme, individuals needed to register and be covered by Thailand's social security scheme. This was an obvious limit on its outreach, especially to the poor.

An assessment of the cash transfer scheme concluded that it was moderately pro-poor (World Bank 2010). However, one evident weakness of the scheme is the provision of payments mostly to formal-sector workers. As a result, the majority of the poor, who rely predominately on informal jobs and precarious incomes, were unable to benefit from this program (Khamman 2009). This is particularly relevant to a country like Thailand, where more than 50% of the labor force is in vulnerable, informal employment (World Bank 2012).

The distributional pattern just described previously applies across countries at various income levels, even low-income countries. In Bangladesh, for instance, the poor receive 6.6% of poverty-line expenditures while the nonpoor receive 3.6%. In Cambodia, the respective proportions are 4% and 1.5%. However, the relative benefits received by the poor are higher in richer countries. For example, in high-income countries the poor receive about 79% of poverty-line expenditures (or about 20% of GDP per capita). In low-income countries they receive about 2.3% of GDP per capita.

Simultaneously, in richer countries the poor tend to be a much smaller share of all potential beneficiaries of social protection. In high-income countries, for instance, the poor represent, on average, about 10% of this group while in low-income countries they represent about 23%.

However, the poor do not receive larger relative social protection benefits in all countries in Asia and the Pacific. The poor receive smaller relative benefits than the nonpoor in 10 countries in the SPI sample. In Pakistan, for instance, the poor receive 3.3% of poverty-line expenditures; the nonpoor 5.1%. A similar pattern is repeated in several Pacific Island countries, such as the Marshall Islands, Palau, and the Solomon Islands, and as the poor are not a small proportion of the total population in many of these 10 countries, this distributional impact should be a matter of concern.

CHAPTER 7
Gender Dimensions of Social Protection

Introduction

The disaggregation of the overall SPI into an SPI for women (SPI_w) and an SPI for men (SPI_m) follows the same logic as the poverty-determined disaggregation of the SPI. The main difference is that the population weights for women and men are more similar (Appendix 3, Table A3.12).

Such considerations—especially among countries with pronounced gender imbalance—are relevant to disaggregating the overall SPI into an SPI_w and an SPI_m. In essence, the SPI_w is based on the ratio of total social protection expenditures on potential female beneficiaries whereas the SPI_m is the corresponding ratio of expenditures on potential male beneficiaries. Like the poverty-defined SPIs, each gender-defined SPI is weighted by its corresponding share of total potential beneficiaries. Therefore, the addition of the SPI_w and the SPI_m equals the overall SPI.

Most of the difference between the two gender-defined SPIs is determined by the degree to which women and men are able to benefit from various kinds of social protection programs. For example, because women are usually more poorly represented in private sector formal employment, they are likely to receive fewer social insurance benefits than men. This would be the case, for example, for pensions and, to a certain degree, for contributory health insurance. If, however, health insurance were universal, then obviously there would be much greater gender equality.

> Women are much more likely to receive benefits from social assistance than from social insurance

For some forms of social insurance, such as maternity benefits, obviously women are the target beneficiaries. Nevertheless, the data from the SPI exercise suggest that maternity benefits are not widespread throughout Asia and the Pacific—with exceptions.

Women are much more likely to receive benefits from social assistance than from social insurance, particularly if certain poverty reduction programs are designed explicitly to reach women (Boxes 7.1 and 7.2).

Women would, however, be more likely to benefit equitably from universal social assistance programs. For example, if a child welfare program, such as school lunches, covered all children, there would be a much greater likelihood of equality for women.

Box 7.1   Benazir Income Support Program in Pakistan

The Benazir Income Support Program (BISP) was launched in October 2008 on the basis of providing a monthly family grant of PRs1,000 ($12). The primary objective of the program was to help counteract the sharp increase in Pakistan's general price level, which almost halved the purchasing power of average households.

These benefits are to be disbursed to the leading married woman in the family. The target of this program has been to cover 15% of the total population of the country, and 40% of the population below the poverty line.[a] The long-term objective of the program is to help families build up their human capital so that they can escape extreme income poverty.

The BISP also serves as a platform for the transition to various social assistance programs. These include a conditional cash transfer program, complementary poverty programs, health insurance programs, and labor market programs. BISP's graduation strategy seeks to provide employment, vocational training, and credit facilities to beneficiaries so that they can leave social assistance (Shaikh 2012).

BISP's beneficiary families include those living below the poverty line and those who are internally displaced. Married women are supposed to be the primary beneficiaries. But also able to qualify for benefits are other female applicants living in households with an average income per person of less than PRs6,000 ($72), widowed or divorced women without adult male members in the family, physically or mentally handicapped persons in the family, or any family member suffering from chronic diseases.

[a] www.bisp.gov.pk

**Box 7.2   Social Pensions for Elderly Women
in Bangladesh**

Bangladesh introduced an old-age allowance for both men and women in 1998. The age at which this social pension can be drawn has gradually increased, now standing at 65 years for men and 62 for women. This program accounts for almost 7% of Bangladesh's total social protection expenditures and covers 21% of those aged 60 and older.

Bangladesh's social pension targets those below a poverty income threshold (below Tk3,000 per month, or $37). In addition to using this criterion, community committees select those elderly who are perceived to be the most vulnerable within their locality. Of those selected, at least half need to be women. Women who have been deserted by their husbands or are widows are also entitled to a separate benefit. This allowance represented just 3% of Bangladesh's total social protection spending and benefited 900,000 women (less than 1% of the total population of Bangladesh) in 2009.

The income threshold for receiving the widows' allowance can be set four times higher (at Tk12,000 per month maximum, or $147) than that for the old-age allowance. This implies that some better-off women could be eligible although a community targeting system is also used to identify the recipients.

Both the old-age allowance and the widows' allowance pay out Tk300 ($3.5) per month per person. But a woman cannot receive both. Obviously, this amount is very small. By comparison, the most recent estimate puts Bangladesh's poverty line income at around Tk1,000 ($12) per month (Begum and Wesumperuma 2012).

Evaluations of the gender impact of Bangladesh's allowances suggest that they have helped increase the access of elderly women to health-care services. This has contributed to mitigating discrimination against elderly women, who are more vulnerable to health risks than the general population (Begum and Wesumperuma 2012).

Women seldom benefit as much as men from labor market programs when such programs are tied to the loss of a formal-sector job, and where, for example, cash-for-work programs require hard, physical labor.

Social Protection Indices by Gender and by Program

The SPI in Asia and the Pacific for women is 0.046, for men 0.064—taken together, equivalent to the overall SPI of 0.110 (Figure 7.1). Thus the SPI_w averages about 42% of the overall SPI (0.046/0.110). (See Appendix 3, Table A3.12, for country-level data by sex and program.)

The SPI_w ranges between 37.7% and 44.6% of the overall SPI across the five regions of Asia and the Pacific. Women face constraints across all regions. East Asia (with the highest GDP per capita) has the highest percentage at 44.8%, followed closely by Southeast Asia at 44.2%, Central and West Asia at 42.0%, South Asia (with the lowest GDP per capita) at 39.3%, and the Pacific Islands at 37.7%. This last result might surprise as this region has the third-highest GDP per capita. (The relationship between a country's gender equity and its GDP per capita is discussed in more detail just below.)

The region with the least overall gender inequality, East Asia, also has the highest overall SPI, 0.240. One of the major reasons for its degree of gender equity appears to be the higher SPI_w for social insurance (0.084) relative to SPI_m (0.110) (Appendix 3, Table A3.12). Also, in this region the SPI_w for social assistance (0.021) is slightly higher than the corresponding SPI_m (0.019).

In Southeast Asia, where gender inequality also appears to be relatively less severe, the SPI_w for social insurance is about 79% of the SPI_m, and the SPI_w for social assistance is only slightly below the SPI_m (0.007 versus 0.008).

Women seldom benefit as much as men from labor market programs when these are tied to formal employment

In South Asia, gender inequality is more pronounced. For social insurance, the SPI_w is only about 50% of the SPI_m (0.010 versus 0.020). But the gender-based SPIs for social assistance are similar, 0.012 versus 0.013. And for labor market programs, the SPI_m is 0.004, also just above the SPI_w, which is 0.003. Thus, gender inequality in South Asia is not as severe as some might expect because there appears to be at least some degree of gender equity in access to social assistance and labor market programs. An additional factor that constrains the size of the gap between

women and men is the poor state of development of social insurance (in which women tend to fare much worse than men). This is hardly a basis for optimism about gender equality.

There is a somewhat different pattern of gender differentiation in the Pacific Islands, a region that appears to have the highest overall gender inequality. While the SPI_w for social insurance in this region is only 0.014, compared with 0.027 for the corresponding SPI_m, men seem to benefit disproportionately even from social assistance: in this latter case the SPI_m is 0.019 whereas the SPI_w is only 0.015.

Gender inequality still prevails in Central and West Asia, primarily because of the stark differential access of women and men to social insurance—the SPI_m is 0.062 but the SPI_w is only 0.038. For social assistance though, the SPI_w is fairly high, at 0.028, and the SPI_m is only slightly higher, at 0.029.

Figure 7.1 presents the general results for SPI_w and SPI_m across Asia and the Pacific. For social insurance, the average SPI_w is 0.030, which is well below the average SPI_m of 0.045. But the differential between the average SPI_w for social assistance and the corresponding average SPI_m is much narrower: 0.015 versus 0.017. For labor market programs, both SPIs are relatively small: only 0.001 for SPI_w and 0.002 for SPI_m.

These results suggest that women have clearly less equitable access to social insurance than men, but less of a disadvantage in social assistance. Labor market programs do not carry much weight in the overall results.

More generally, the results suggest that gender inequality in social protection is likely to narrow only when policy makers make social insurance programs more universal (such as by expanding health insurance) while paying greater attention to improving the access of women to social assistance, where they have already succeeded in making some progress. On labor market programs, policy makers might benefit from studying more closely the gender-related impact of large food- or cash-for-work programs, particularly those that have been implemented in South Asia, and the efficacy of skill development and training programs.

Gender inequality in social protection is likely to narrow only when policy makers make social insurance programs more universal

Figure 7.1   Social Protection Index by Gender and Program, 2009
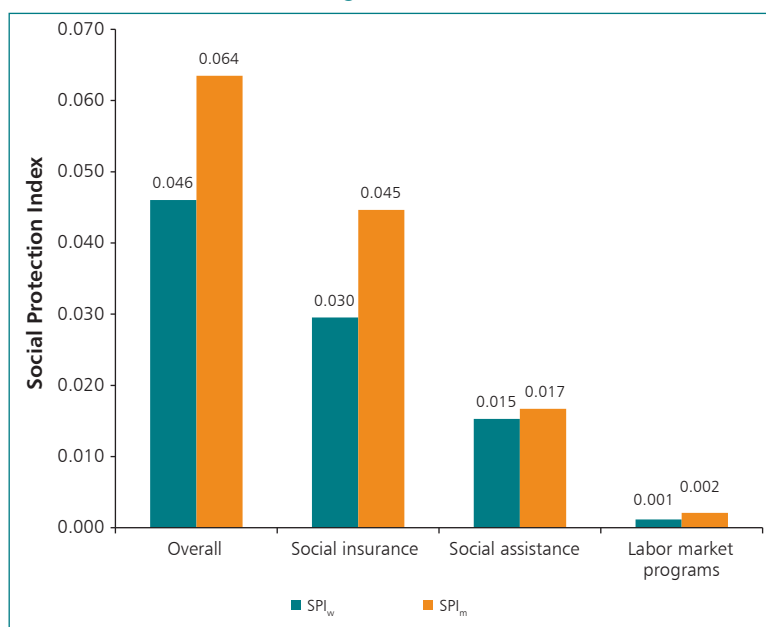
SPI$_m$ = Social Protection Index for Men, SPI$_w$ = Social Protection Index for Women.
Source: ADB staff estimates based on SPI country reports (Appendix 2).

Gender Equity and Income Per Capita

This final section shows that, while there appears to be a generally significant positive relationship between a country's GDP per capita and its social protection of women, this relationship is not robust. And the relationship is weak particularly at low-income per capita.

Figure 7.2 displays the results of a simple regression of the SPI$_w$ on the logarithm of GDP per capita for the 35 countries in the SPI sample. One would expect a positive relationship since the SPI should rise as GDP per capita increases—and thus the SPI$_w$ should rise as well.

The regression results for the SPI$_w$ in particular are interesting primarily for identifying the distribution of countries around the regression line. There is a modestly significant positive relationship between the logarithm of GDP per capita and the SPI$_w$. The R-squared is only 0.28.

Figure 7.2   Social Protection Index for Women and
GDP Per Capita, 2009
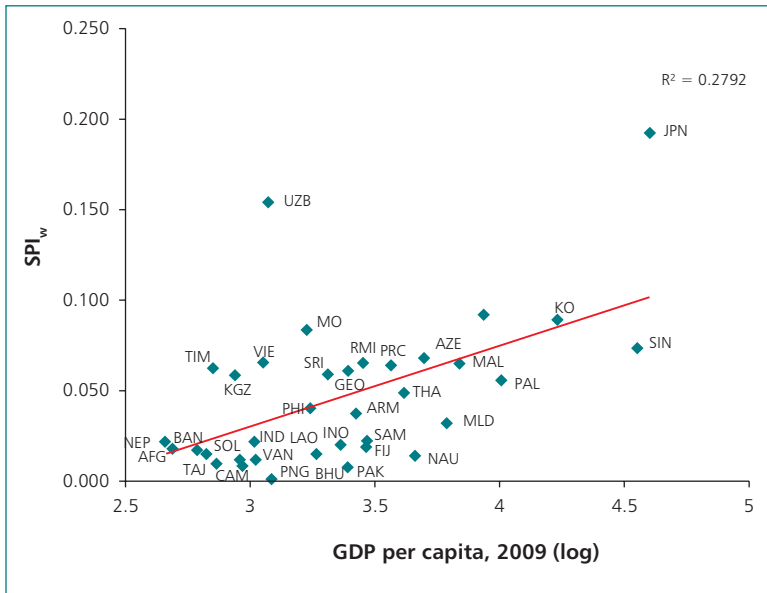
AFG = Afghanistan, ARM = Armenia, AZE = Azerbaijan, BAN = Bangladesh, BHU = Bhutan,
CAM = Cambodia, FIJ = Fiji, GDP = gross domestic product, GEO = Georgia, IND = India,
INO = Indonesia, JPN = Japan, KOR = Republic of Korea, KGZ = Kyrgyz Republic, LAO = Lao People's
Democratic Republic, MAL = Malaysia, MLD = Maldives, MON = Mongolia, NAU = Nauru, NEP = Nepal,
PAK = Pakistan, PAL = Palau, PNG = Papua New Guinea, PHI = Philippines, PRC = People's Republic
of China, RMI = Republic of Marshall Islands, SAM = Samoa, SIN = Singapore, SOL = Solomon
Islands, SPI = Social Protection Index, SPI$_w$ = Social Protection Index for Women, SRI = Sri Lanka,
TAJ = Tajikistan, THA = Thailand, TIM = Timor-Leste, UZB = Uzbekistan, VIE = Viet Nam.
Source: ADB staff estimates based on SPI country reports (Appendix 2).

And the parameter for the log of GDP per capita is also moderately
significant.

The figure identifies some of the outliers, namely, Mongolia,
Uzbekistan, and even Japan. But what is revealing about the picture
that it paints is that the SPI$_w$ for low-income countries and even for
many lower-middle-income countries lies below the regression line.
It appears that only when countries in Asia and the Pacific reach a
certain level of GDP per capita, namely, $1,000–$2,000, do some
of them begin to cluster above the regression line. This change in
position applies to countries such as Mongolia, Sri Lanka, and

Viet Nam. But in fact there is, in general, only a small number of countries that indeed lies above the regression line. This signifies that income per capita is not, in general, a good predictor of the level of the SPI_w, namely, the degree of gender equity in social protection.

CHAPTER 8
Summary of Results and Implications

Progress in building effective social protection systems in Asia and the Pacific has generally been slow in recent decades. Among the 35 countries in the SPI sample, only four (Japan, the Republic of Korea, Mongolia, and Uzbekistan) have SPIs of 0.200 or higher. In other words, the social protection expenditures of the great majority of countries are equivalent to less than one-fifth of poverty-line expenditures, or less than 5% of GDP per capita.

In addition to the top-four countries, another 12 countries, many of them middle income, have SPIs in the range of 0.100–0.200 (Table 2.1). But compared with their income per capita, the resources that middle-income countries (at least) have chosen to spend on social protection appear inadequate. Most of them could significantly boost their expenditures in this area and strive to gradually attain the strategic objective of an SPI of 0.200, the level currently registered by the Republic of Korea.

Most countries' social protection spending is less than 5% of GDP per capita

The remaining 19 countries that have SPIs lower than 0.100 (i.e., their spending is less than 2.5% of GDP per capita) have to be more ambitious about bolstering their social protection systems. This is certainly feasible since only six of them are currently low-income countries; the rest are middle income. Yet this whole group of 19 countries spends less than 3% of GDP on social protection, and some of them less than 1% (World Development Indicators 2013; ADB 2013).

Many of these 19 countries, and even some of the 12 with higher SPIs, will have to mobilize more public revenue, as even among middle-income countries the ratios of public revenue to GDP are frequently low in Asia and the Pacific (World Development Indicators 2013; ADB 2013).

Achieving 20% of GDP for government revenue as a ratio to GDP makes sense if developing countries are to succeed in developing sufficient "fiscal space" to finance social protection, as well as other vital public services and infrastructure (McKinley and Kyrili 2009). If this benchmark is used, a significant number of countries in Asia and the Pacific, even several middle-income countries, including India, Indonesia, Pakistan, the Philippines, Sri Lanka, and Thailand, fall short of a desirable level of public revenue. In some low-income countries, such as Bangladesh and Cambodia, revenue is low. It is mainly in high-income and transition economies that revenue exceeds 20% of GDP.

Dominance of Social Insurance

Yet even those countries in the region that may have an adequate revenue base have not necessarily spent their money effectively because social insurance, which dominates most social protection programs, is frequently geared to serve employees in formal sectors and in public (government) offices. This is a particular problem in countries with a sizable informal sector.

Since social insurance relies on contributory schemes, paid employees in the public sector and in well-established private firms tend to be most of the beneficiaries. And the average size of their benefits (the depth), especially for their pensions, tends to be larger than those under most other forms of social protection.

The domination of social insurance is clearest in high-income countries (such as Japan, the Republic of Korea, and Singapore) and even among many transition economies (such as Azerbaijan and Uzbekistan). In some of these countries, pensions account for the lion's share of social protection spending even when these countries have the revenue that would enable them to establish a wider system.

The distribution of contributory forms of health insurance is similar to pension distribution, except that health insurance has shown a greater potential to cover a fairly large proportion of a country's population. The chief challenge is how to finance such social insurance without calling on the beneficiaries to cover a significant share of the costs. For example, how can private firms be encouraged to contribute to such insurance and what share of the total costs can governments afford to finance? In a few countries, such as the PRC and Thailand, there have

been advances since 2009 in providing universal health insurance. It is hoped that these experiences will provide valuable lessons.

Most forms of social insurance, directed to pensions, health insurance, or other forms such as unemployment benefits, do not succeed in covering a large segment of the nonpoor population. And while the poor might be able to gain access to social assistance—particularly those schemes framed as poverty reduction programs—many nonpoor but vulnerable low-income families receive very few, if any, benefits from either social insurance or social assistance. As stated earlier, this potentially large segment of the population in each country could be considered the "missing middle" of social protection.

In response to such problems of exclusion, some countries, including the PRC, Indonesia, Thailand, and Viet Nam, have moved aggressively to set up universal systems of health insurance. Yet economies with a large rural sector or a large urban informal sector find this difficult to do. It is not easy, for example, to register participants in insurance schemes and collect the contributions that they would be called on to make.

In addressing their pension challenges, some governments have set about establishing old-age allowances (social pensions), some of which are intended to be universal. But such initiatives remain limited, either in size of benefits (depth) or in extent of coverage (breadth).

Moreover, some countries in Asia and the Pacific, particularly those in East Asia and in Central and West Asia, are already confronting the looming problem of populations that are aging faster. A significant proportion of people of working age are heading toward retirement while a relatively small cohort of the young will be unable to replenish the labor force (Appendix 3, Table A3.14).

Some countries, particularly in East Asia and in Central Asia, are already facing aging populations

Rapid aging is not the only demographic challenge facing Asia and the Pacific. Some countries will also struggle to generate enough productive employment for a large youth population that will soon reach working age. For some of the poorer countries, such as Afghanistan, Lao People's Democratic Republic, and Nepal, this will be a formidable challenge: the share of the youth in their total population exceeds 35%. A similar problem confronts many Pacific Island countries, including the Marshall Islands, Samoa, Solomon Islands, Timor-Leste, and Vanuatu.

The challenge of aging in particular emphasizes the importance of coming to terms with the current financing of pension systems, whether contributory or noncontributory. How much of the cost will have to be shouldered, for example, by beneficiaries? Despite such problems, it seems imperative that many countries in Asia and the Pacific prioritize striving to institute universal forms of social insurance—whether for health insurance or for pensions. Some countries, including the PRC and Thailand, are moving in this direction.

For middle-income countries that expect to continue growing healthily, adopting such an approach is likely to be a strategic priority. These countries will simply have to find ways of mobilizing the revenue necessary to finance such universal forms of provision—a political imperative as well as a key social priority.

Impact of Social Assistance

In most countries in Asia and the Pacific social assistance systems appear undeveloped, and are usually dwarfed by social insurance spending. The advantage of social assistance, however, is that it can reach a far broader proportion of the population. So, while social assistance has a smaller depth than social insurance, it tends to have wider breadth.

That social assistance seems undeveloped in Asia and the Pacific might come as a surprise to most readers because the international development community and many national governments have prioritized poverty reduction programs since at least the 1990s. Part of the explanation might be that the extreme poor have come to compose a far smaller share of the total population of Asia and the Pacific in recent decades. But another part of the explanation is likely to be that many forms of social assistance—especially the size of average benefits—are inadequate for the needs of the poor and vulnerable.

Impact on Poverty

As many countries in the region have continued to grow economically since the 1990s, the proportion of the extremely poor population has become progressively smaller. So poverty reduction programs have

been targeting an ever-smaller share of the population. Unless governments choose to target the moderately poor or the near-poor, the impact of poverty reduction programs is bound to become much less important over time. Some governments have already begun to increase their emphasis on universal programs, such as reaching all the elderly or all children. However, few governments have explicitly chosen to target the moderately poor or near poor, who are often neglected by both social assistance and social insurance.

Few governments have explicitly chosen to target the moderately poor or near-poor through universal coverage

The general SPI results for the 35 countries suggest that the poor benefit more, at least in relative terms, from social assistance than the nonpoor. Yet these benefits are usually small, often cover only some of the poor, and invariably leak to the nonpoor.

Disaggregation of the SPI into the SPI_p and SPI_{np} suggests that when only the ratio of expenditures on the poor relative to their total numbers is taken into account, the poor receive relatively more benefits than the nonpoor across social protection as a whole. This might be a surprising finding to some readers but they should note, first of all, that the poor are often a small proportion of the total population.

Disaggregation of Social Assistance

Social assistance may be disaggregated into six components (Appendix 3, Table A3.9). The first, social transfers, commonly take the form of conditional or unconditional cash transfers, although such transfers can also be made in noncash form (most importantly as food provisioning). Along with child welfare, social transfers are among the most important forms of social assistance in Asia and the Pacific. Each of these two programs accounts for about one-third of total social assistance expenditures and a roughly similar one-third of total beneficiaries.

Social transfers often target the poor or particular vulnerable groups, obliging governments to devote a share of the funding of such programs for overhead, namely, actions to identify who are poor and assess whether they receive the benefits intended for them. Many social transfers are also often conditional, that is, beneficiaries agree to certain conditions (usually involving a change in their behavior in areas of education or health) to receive cash transfers. Monitoring such obligatory behavioral change can add another layer of complexity to these programs.

Some child welfare programs can be targeted to particularly vulnerable children, such as orphans or street children. But most of the expenditures on child welfare programs are on universal programs, such as free textbooks or free lunches in primary schools.

The third-most-important form of social assistance is disaster relief, accounting for 14%–15% of both social assistance expenditures and beneficiaries. The SPI project faced difficulties in assessing the effectiveness of such programs because of the practical obstacles in gauging the number of potential beneficiaries, that is, those affected by a disaster. By definition, disaster relief is more variable and harder to track than more stable forms of social assistance.

Much more attention will have to be paid to such assistance. Asia and the Pacific remains afflicted with a seemingly relentless series of natural disasters. So despite the difficulties in assessing its effectiveness, disaster relief needs to be considered an important part of any social protection system. It is certainly possible that as the accumulated effects of disasters and their associated human costs are more reliably estimated, disaster relief will become more important, with possibly major repercussions on the financing of other forms of social assistance.

The fourth-most-important subcomponent of social assistance, social assistance for the elderly (particularly those who cannot qualify for pensions as part of the social insurance system), is similar to most child welfare systems. Most programs are universal although some try to target the elderly who are most in need. Currently accounting for about 11% of all social assistance expenditures but only about 8% of beneficiaries, such expenditures could rise significantly as populations age.

Similar problems might also affect the fifth-most-important form, health assistance, accounting for only 5% of social assistance expenditures but 9% of beneficiaries. As countries move to universal forms of health insurance, the need for such health assistance might be reduced. But the underlying need for such special assistance is likely to remain, whether the health system is a free public service or it is provided through an insurance system. Hence, much of the cost will most likely have to be shouldered by government, reinforcing the need for governments to develop the revenue sources to finance such programs.

The smallest social assistance programs are for disability, accounting for only 3% of total social assistance expenditures and 2% of beneficiaries. With rare exceptions, these programs are small, and in about one-third of countries hardly exist. So the overriding issue for disability programs in Asia and the Pacific is to scale them up to a satisfactory level. The strategic medium-term objective should be to cover at least a majority of disabled people.

For most countries the medium-term objective should be to cover at least a majority of disabled people

Limited Role of Labor Market Programs

Few labor market programs play a major role in social protection in Asia and the Pacific, even when a flexible definition of social protection (as for the SPI project) incorporates both active and passive labor market programs. Taken together, these two program types account for only 6% of social protection spending and 7% of beneficiaries.

Traditional passive labor market programs, such as unemployment benefits or severance payments, are insignificant in Asia and the Pacific. While such programs might be important in some high-income and upper-middle-income countries in which a large share of employment is in the formal sector, they are virtually nonexistent or ineffective in most middle-income and low-income countries. The priority for the latter, more numerous grouping of countries possibly lies elsewhere, in active labor market programs, such as skill development and training or cash- or food-for-work programs.

In the classification of the SPI project, cash- or food-for-work programs account for 54% of all expenditures on active labor market programs and 52% of all beneficiaries while skill development and training account for the remaining 46% of expenditures and 48% of beneficiaries.

One of the more promising directions for the majority of lower-middle-income countries or low-income countries appears to be employment guarantee schemes designed to construct or rebuild basic infrastructure. The largest and most well-known examples of such programs are in South Asia—for example, India's national rural employment guarantee scheme, the region's largest.

Gender Impact of Social Protection

Beyond disaggregating the data on the impact of social protection on the poor (discussed previously), the SPI project also disaggregated the data by gender. This suggests that women in most countries in Asia and the Pacific are being disadvantaged in social protection.

Women are less likely than men to work in the formal economy, and so are less likely to have direct access to pension programs. While women might receive survivor's pensions (when the retired husband dies) and they tend to live longer than men, these advantages do not appear to significantly alter their basic disadvantage.

Women are also less likely to have access to most forms of health insurance that are based on formal employment (often the necessary condition for implementing a contributory scheme). Such a disadvantage would not apply, of course, in countries where health insurance is universal.

In many countries, women appear to benefit almost as much as men do from social assistance, although it seems that in most instances men do better. But since most social assistance benefits are much smaller than those for social insurance, any slight comparative advantage here does not overcome their general disadvantage.

Since labor market programs tend to be quite small in most countries in Asia and the Pacific, they could have only a negligible impact on promoting gender equity—even if they favored women. Where such programs are sizable, the impact is more likely, instead, to disproportionately benefit men, particularly with infrastructure projects, for instance.

Because gender inequality is often tied to structural conditions, such as the lack of access of women to well-paid, formal employment, policy makers in Asia and the Pacific are most likely to make substantial inroads in reducing such inequality when they begin to universalize social insurance benefits, such as for health care and pensions. Providing women with greater access to employment guarantee schemes or skill development and training could also help, but the SPI results suggest that, at least initially, the associated improvements would tend to be modest.

But both of these policy directions would rely ultimately on the underlying success of countries in expanding productive, formal-sector employment. This would be a necessary long-term condition for expanding the economic opportunities of women, and thus their access to forms of social protection tied to employment status.

It is likely easier to broaden the access of women to social assistance as this form of social protection is not tied to employment status, but because its share of social protection expenditures is much smaller than that of social insurance, directing more social assistance benefits to women (as through cash transfers programs) should be considered. More fundamentally, however, increasing the expenditures of universal social assistance programs, such as assistance to children or the elderly, could have a broader and thus more significant overall impact on reducing gender inequality in social protection.

Conclusions

The SPI results suggest that countries in Asia and the Pacific need to expand their social protection systems and make their impact more equitable—not just for the poor but for a substantial proportion of the nonpoor, but vulnerable, members of their population. Numerous vulnerabilities, such as to death in the family, illness, old age, natural disasters, financial crises, and unemployment, can affect a large proportion of the population at one point or another. Adequate systems need to be in place to deal with such calamities.

Yet such a system of social protection is wanting in much of Asia and the Pacific. Social insurance dominates social protection in many countries but it usually benefits a relatively smaller number of the population, i.e., those who are formally employed, often in the public sector or sizable private sector firms. Social assistance has had some success in disbursing benefits to a large number of poor people but the size of its benefits is customarily small. And for the great majority of countries in the region, labor market programs are of negligible importance.

Countries need to expand their social protection systems and make their impact more equitable

Hence, while social protection might benefit better-off households (which can afford to make contributions to social insurance) and poor households (which can gain some access to social assistance), there

is usually a large "missing middle" of households that receive neither social insurance nor social assistance. Expanding social protection to cover the common risks of such households represents a major challenge for policy makers.

Expanding social protection to cover the common risks of the "missing middle" is a major challenge for policy makers

As the average income per capita of countries in the region reaches upper-middle-income status, countries need to ensure that the revenue-generating capacity of their governments has been expanded enough to adequately finance a social protection system that can respond effectively to such a challenge. Of course, social protection cannot solve all of society's ills, nor should it consume all of a government's revenues. Obviously, governments have many other pressing obligations.

Expanding social protection will have to rest on a broader foundation. Countries need to maintain their recent relative successes in generating significant increases in income per capita. But such economic growth will have to be accompanied by greater increases in productive employment, which will provide the basis for broader programs of social insurance and for meaningful labor market programs, and which will have the potential to expand the fiscal capacity of governments to provide social assistance to their poorest and most vulnerable citizens.

It is hoped that the use of the SPI for the general monitoring and assessment of the impact of social protection systems across Asia and the Pacific can make an important contribution to helping national policy makers identify the most useful policy responses to the major—and inevitably recurrent—challenges of dealing with both extreme poverty and widespread vulnerability.

Calculating the Social Protection Index and its Components

Basic Structure of the Social Protection Index

The Social Protection Index (SPI) is composed of two ratios (chapter 1). The first is the ratio of all expenditures on social protection divided by all potential beneficiaries. The second is the "regionally derived" estimate of poverty-line expenditures. The average poverty-line expenditures across the SPI sample of 35 countries approximates one-quarter of gross domestic product (GDP) per capita.

Mathematically, the SPI can be expressed 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 poverty-line expenditures.

Disaggregation of the Social Protection Index into Depth and Breadth

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

Depth

Depth is represented by the average benefits received by each beneficiary of social protection. Since this aspect of the SPI is the monetary term, it is divided by poverty-line expenditures.

This dimension is measured as:

(Total Expenditures divided by Total Actual Beneficiaries)
Divided by Z, or the poverty-line expenditures.

Depth can be represented by the following equation:

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

where

D represents depth;
E represents SP expenditures; and
Z represents the poverty-line expenditures.

Breadth

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

Total Actual Beneficiaries divided by Total Potential Beneficiaries.

Breadth can be represented by the equation:

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

where

B denotes breadth;
AB represents actual SP beneficiaries; and
PB represents potential SP beneficiaries.

Disaggregation of the Social Protection Index by Component

The second major disaggregation of the SPI involves a three-way disaggregation among the major components of social protection: social insurance, social assistance, and labor market programs.

- The SPI for social insurance (including such items as pensions, health insurance, and unemployment benefits);

- The SPI for social assistance (including such items as assistance to the elderly, health assistance, poverty programs, and child welfare); and

- The SPI for labor market programs (including such items as training and skill development and public works schemes).

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

The formula for the SPI of each of the three components can be illustrated by the formula for deriving the SPI for social insurance (SI):

> (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/Poverty-Line Expenditures

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 the poverty-line expenditures.

On the basis of such "population weighting," the SPIs for the three components (social insurance [SI], social assistance [SA], and labor market programs [LMPs]) should add up to the overall SPI:

SPI = SPI (SI) + SPI (SA) + SPI (LMP)

Disaggregation of the Social Protection Index by Expenditures on the Poor and the Nonpoor

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

SPI (Poor) or SPI$_p$

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 all regarded as potential beneficiaries). But it is weighted by the ratio of all the poor to all potential beneficiaries of social protection.

This relationship can be represented mathematically by the following equation:

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

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:

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

Thus, when the SPI$_p$ is added to the SPI$_{np}$, the "population weights" ensure that the result will be the overall SPI.

The decomposition of the SPI$_w$ and the SPI$_m$ is not described in this appendix since the same mathematical logic that is used for the SPI$_p$ and the SPI$_{np}$ is used for the gender disaggregation. (The population weights are similar in the gender disaggregation.)

Modifications in the Original Social Protection Index

The current Asian Development Bank (ADB) project is based on an earlier ADB project, Developing a Social Protection Index for Committed Poverty Reduction, which gathered 2005 data on social protection programs for 31 countries (ADB 2006; ADB 2008b). However, the basis for calculating the SPI has been revised for the current project on the basis of a slightly adjusted working definition of social protection and a new methodology. Hence, the results derived for the SPI from 2009 data cannot be directly compared with the results for the original SPI derived from 2005 data. While the current SPI retains many of the central concerns motivating the use of the original SPI, the construction of the new index is qualitatively different.

The original SPI was an index in the proper sense of the term. That is, it was a composite of four indicators:

- Social protection expenditures as a ratio to GDP;

- Social protection beneficiaries as a ratio to intended beneficiaries;

- Proportion of the poor receiving social protection benefits; and

- Per capita social protection benefits received by the poor as a ratio to the national poverty line.

Each of these four indicators was converted into a scale from 0 to 1. This method was similar, for example, to how the Human Development Index (HDI) was constructed (e.g., UNDP 2011). The four indices were then added together with equal weight to produce an overall index scaled from 0 to 1.

But collective discussions at the beginning of the current project came to the conclusion that improvements were needed in the original SPI. One concern was that the abstract index form of the original SPI was difficult to interpret. Moreover, any weighting scheme—even such a simple one as equal weighting of components—always leaves itself open to the criticism that it is essentially arbitrary.

A particularly contentious issue in the application of the original SPI was its ranking of countries' performance in social protection.

While such an approach might succeed initially in capturing people's attention, it is likely to be less successful in encouraging governments to make practical use of the SPI.

As stated earlier, the SPI assesses progress on social protection *relative to* each country's level of income per person. Hence, it is not essentially designed for ranking purposes. It has been constructed, instead, primarily as an analytical and assessment tool for use by governments and development agencies and practitioners.

This is one reason why the data collected for the SPI include only information on government programs. Such a stipulation would still lead to the inclusion of programs financially backed by external development agencies as long as they were implemented through government channels. In contrast, the original SPI included programs supported by external development agencies that were implemented largely independently of governments. The same criteria have been applied to programs administered by nongovernment organizations. Programs run exclusively by international organizations or by nongovernment organizations, whether international or national, have not been assessed.

The basic motivation for such a change in approach is that the current project assumes that governments should take ownership of their social protection systems and be held accountable ultimately for the success or failure of those systems.

Another important change is that the current SPI project does not include all of the programs reviewed by the previous SPI project on the basis of 2005 data. For example, microfinance is excluded because it is not considered to be a social transfer; instead, it obliges households to incur a financial liability. The current project also does not include area-based infrastructure schemes unless they are explicitly designed to provide employment to poor or vulnerable workers.

In order to clarify understanding of the character of the SPI, it is also useful to review some of the concerns expressed about the four indicators that were included in the original SPI.

The first of these four, namely, social protection expenditures as a ratio to GDP, is certainly a useful indicator and is discussed in this report as a complement to the SPI. But it was decided that it should

not be included as an *integral part* of the SPI. This is an important methodological point. Public expenditures on social protection are being compared with a defined "population" group, not with GDP in general. This population is the intended beneficiaries of the various forms of social protection.

Thus, while the ratio of social protection expenditures to GDP helps measure the extent of government efforts in financing social protection, it does not give direct information on the *performance* of governments in achieving results. Such an impact should be assessed relative to the provision of social protection to the *intended beneficiaries*. This concern is at the heart of the construction of the SPI.

Also, because there were early concerns about the reliability of the data provided on the extent to which social protection benefits reach the poor, it was decided to refrain from incorporating such data into *the core* of the SPI. It is still possible to disaggregate the SPI data by poor and nonpoor beneficiaries and this report discusses the results of doing so. But the overall results on the SPI remain the same whether this disaggregation is carried out or not. This was not the case, in contrast, for the original SPI.

The implication of this revision of the SPI is that two of the indicators in the original SPI—namely, the proportion of the poor receiving social protection benefits and per capita social protection benefits received by the poor as a ratio to the national poverty line—were dropped as integral components of the SPI.

As demonstrated in chapter 6, such issues of poverty impact can still be analyzed as part of the SPI as long as due regard is given to the quality of the data. Moreover, as reported in chapter 7, assessing the gender impact of social protection has been incorporated in the SPI project. The basic integrity of the SPI and the validity of the results with regard to disaggregations by various programs or by depth and breadth remain unaffected by the judgments on the distributional impact of social protection in terms of poverty or gender.

APPENDIX 2

Social Protection Index Country Reports

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Komatsubara, Y. K. 2012. *Japan: Updating and Improving the Social Protection Index*. Technical Assistance Consultant's Report for TA—REG 7601, ADB.

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Olsson, J. J. 2012. *Nauru: Updating and Improving the Social Protection Index*. Technical Assistance Consultant's Report for TA—REG 7601, ADB.

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Rana, A. S. 2012. *Nepal: Updating and Improving the Social Protection Index*. Technical Assistance Consultant's Report for TA—REG 7601, ADB.

Rawat, B. 2012. *India: Updating and Improving the Social Protection Index*. Technical Assistance Consultant's Report for TA−REG 7601, ADB.

Sakaio, M. 2012. *The Republic of Marshall Islands: Updating and Improving the Social Protection Index*. Technical Assistance Consultant's Report for TA−REG 7601, ADB.

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APPENDIX 3

Tables

Table A3.1   GDP Per Capita by Region, 2009

Region/Member Country	GDP Per Capita at Current Prices ($)
Central and West Asia	2,144
Armenia	2,666
Azerbaijan	5,018
Georgia	2,455
Kyrgyz Republic	871
Tajikistan	668
Uzbekistan	1,187
East Asia	15,562
China, People's Rep. of	3,734
Japan	39,714
Korea, Rep. of	17,110
Mongolia	1,692
South Asia	1,703
Afghanistan	488
Bangladesh	617
Bhutan	1,852
India	1,043
Maldives	6,174
Nepal	463
Pakistan	926
Sri Lanka	2,057
Southeast Asia	6,678
Cambodia	731
Indonesia	2,335

Table A3.1   *continued*

Region/Member Country	GDP Per Capita at Current Prices ($)
Lao People's Democratic Republic	904
Malaysia	6,915
Philippines	1,746
Singapore	35,514
Thailand	4,151
Viet Nam	1,130
Pacific	3,204
Fiji, Rep. of	2,945
Marshall Islands	2,838
Nauru	4,599
Palau	10,131
Papua New Guinea	1,226
Samoa	2,863
Solomon Islands	1,048
Timor-Leste	710
Vanuatu	2,471

GDP = gross domestic product.
Sources: The Maldives, Papua New Guinea, and Timor-Leste data were sourced from the ADB Statistical Database Syste3m in 2012. The rest were sourced from the SPI country reports (Appendix 2).

Table A3.2   Social Protection Index by Income Group, 2009

Country	Overall SPI
High-Income Countries	
Japan	0.416
Korea, Rep. of	0.200
Singapore	0.169
Average	**0.262**
Upper-Middle-Income Countries	
Azerbaijan	0.187
Malaysia	0.155

Table A3.2   *continued*

Country	Overall SPI
Palau	0.148
China, People's Rep. of	0.139
Thailand	0.119
Maldives	0.073
Nauru	0.034
Average	**0.122**
Lower-Middle-Income Countries	
Armenia	0.085
Bhutan	0.036
Fiji	0.060
Georgia	0.137
India	0.051
Indonesia	0.044
Lao People's Democratic Republic	0.026
Marshall Islands	0.167
Mongolia	0.206
Pakistan	0.047
Papua New Guinea	0.005
Philippines	0.085
Samoa	0.066
Solomon Islands	0.045
Sri Lanka	0.121
Timor-Leste	0.140
Uzbekistan	0.343
Vanuatu	0.025
Viet Nam	0.137
Average	**0.096**
Low-Income Countries	
Afghanistan	0.046
Bangladesh	0.043
Cambodia	0.020

Table A3.2   *continued*

Country	Overall SPI
Kyrgyz Republic	0.151
Nepal	0.068
Tajikistan	0.039
Average	**0.061**
Overall Average	**0.110**

SPI = Social Protection Index.
Note: The income grouping was adopted from the World Bank classification, which is based on the country's per capita gross national income.
Source: ADB staff estimates based on SPI country reports (Appendix 2).

Table A3.3   Social Protection Index by Region, 2009

Country	Social Protection Index
Central and West Asia	
Armenia	0.085
Azerbaijan	0.187
Georgia	0.137
Kyrgyz Republic	0.151
Tajikistan	0.039
Uzbekistan	0.343
Regional Average	**0.157**
East Asia	
China, People's Rep. of	0.139
Japan	0.416
Korea, Rep. of	0.200
Mongolia	0.206
Regional Average	**0.240**
South Asia	
Afghanistan	0.046
Bangladesh	0.043
Bhutan	0.036
India	0.051
Maldives	0.073

Table A3.2   *continued*

Country	Social Protection Index
Nepal	0.068
Pakistan	0.047
Sri Lanka	0.121
Regional Average	**0.061**
Southeast Asia	
Cambodia	0.020
Indonesia	0.044
Lao People's Democratic Republic	0.026
Malaysia	0.155
Philippines	0.085
Singapore	0.169
Thailand	0.119
Viet Nam	0.137
Regional Average	**0.095**
Pacific	
Fiji	0.060
Marshall Islands	0.167
Nauru	0.034
Palau	0.148
Papua New Guinea	0.005
Samoa	0.066
Solomon Islands	0.045
Timor-Leste	0.140
Vanuatu	0.025
Regional Average	**0.077**

Source: ADB staff estimates based on SPI country reports (Appendix 2).

Table A3.4   Social Protection Index, Unweighted and Weighted, 2009

Country	Overall SPI	Social Protection Index (Unweighted)			Social Protection Index (Weighted)		
		Social Insurance	Social Assistance	Labor Market Programs	Social Insurance	Social Assistance	Labor Market Programs
Japan	0.416	0.523	0.213	0.067	0.368	0.041	0.007
Uzbekistan	0.343	0.528	0.214	0.002	0.248	0.096	0.000
Timor-Leste	0.140	0.000	0.221	0.056	0.000	0.136	0.004
Mongolia	0.206	0.239	0.166	0.141	0.135	0.064	0.007
Korea, Rep. of	0.200	0.216	0.181	0.059	0.158	0.038	0.003
Azerbaijan	0.187	0.264	0.128	0.001	0.137	0.050	0.000
Singapore	0.169	0.282	0.025	0.031	0.158	0.008	0.003
Marshall Islands	0.167	0.339	0.068	0.011	0.130	0.036	0.001
Malaysia	0.155	0.281	0.026	0.004	0.145	0.010	0.000
Kyrgyz Republic	0.151	0.105	0.237	0.008	0.053	0.098	0.001
Palau	0.148	0.228	0.091	0.001	0.110	0.038	0.000
China, People's Rep. of	0.139	0.172	0.075	0.048	0.117	0.017	0.004
Viet Nam	0.137	0.231	0.044	0.043	0.116	0.017	0.004
Georgia	0.137	0.163	0.127	0.000	0.105	0.032	0.000
Sri Lanka	0.121	0.227	0.036	0.037	0.101	0.017	0.003
Thailand	0.119	0.154	0.082	0.025	0.092	0.025	0.003
Maldives	0.073	0.052	0.131	0.011	0.034	0.038	0.001
Philippines	0.085	0.182	0.022	0.055	0.068	0.011	0.005
Armenia	0.085	0.066	0.115	0.011	0.030	0.054	0.001
Nepal	0.068	0.098	0.055	0.014	0.039	0.028	0.001
Samoa	0.066	0.133	0.028	0.212	0.035	0.019	0.012
Fiji	0.060	0.083	0.051	0.007	0.032	0.028	0.001
India	0.051	0.019	0.044	0.250	0.007	0.023	0.020
Pakistan	0.047	0.104	0.017	0.012	0.036	0.009	0.001
Afghanistan	0.046	0.003	0.050	0.096	0.001	0.035	0.011
Solomon Islands	0.045	0.104	0.015	0.012	0.035	0.009	0.001
Indonesia	0.044	0.028	0.073	0.015	0.014	0.028	0.002
Bangladesh	0.043	0.020	0.038	0.164	0.008	0.019	0.015
Tajikistan	0.039	0.092	0.020	0.004	0.025	0.014	0.000

Table A3.4   *continued*

Country	Overall SPI	Social Protection Index (Unweighted)			Social Protection Index (Weighted)		
		Social Insurance	Social Assistance	Labor Market Programs	Social Insurance	Social Assistance	Labor Market Programs
Bhutan	0.036	0.025	0.055	0.001	0.010	0.026	0.000
Nauru	0.034	0.025	0.050	0.000	0.010	0.024	0.000
Lao People's Democratic Republic	0.026	0.043	0.018	0.001	0.017	0.009	0.000
Vanuatu	0.025	0.037	0.020	0.000	0.014	0.011	0.000
Cambodia	0.020	0.013	0.024	0.035	0.005	0.012	0.003
Papua New Guinea	0.005	0.010	0.001	0.000	0.004	0.001	0.000
Overall Average	**0.110**	**0.145**	**0.079**	**0.041**	**0.075**	**0.032**	**0.003**

SPI = Social Protection Index.

Source: ADB staff estimates based on SPI country reports (Appendix 2).

Table A3.5   Unweighted Social Protection Index by Program and by Region, 2009

Country	Social Protection Index (Unweighted)			
	Overall	Social Insurance	Social Assistance	Labor Market Programs
Central and West Asia				
Armenia	0.085	0.066	0.115	0.011
Azerbaijan	0.187	0.264	0.128	0.001
Georgia	0.137	0.163	0.127	0.000
Kyrgyz Republic	0.151	0.105	0.237	0.008
Tajikistan	0.039	0.092	0.020	0.004
Uzbekistan	0.343	0.528	0.214	0.002
Average	**0.157**	**0.203**	**0.140**	**0.004**
East Asia				
China, People's Rep. of	0.139	0.172	0.075	0.048
Japan	0.416	0.523	0.213	0.067
Korea, Rep. of	0.200	0.216	0.181	0.059
Mongolia	0.206	0.239	0.166	0.141
Average	**0.240**	**0.288**	**0.159**	**0.078**

Table A3.5   *continued*

Country	Social Protection Index (Unweighted)			
	Overall	Social Insurance	Social Assistance	Labor Market Programs
South Asia				
Afghanistan	0.046	0.003	0.050	0.096
Bangladesh	0.043	0.020	0.038	0.164
Bhutan	0.036	0.025	0.055	0.001
India	0.051	0.019	0.044	0.250
Maldives	0.073	0.052	0.131	0.011
Nepal	0.068	0.098	0.055	0.014
Pakistan	0.047	0.104	0.017	0.012
Sri Lanka	0.121	0.227	0.036	0.037
Average	**0.061**	**0.069**	**0.053**	**0.073**
Southeast Asia				
Cambodia	0.020	0.013	0.024	0.035
Indonesia	0.044	0.028	0.073	0.015
Lao People's Democratic Republic	0.026	0.043	0.018	0.001
Malaysia	0.155	0.281	0.026	0.004
Philippines	0.085	0.182	0.022	0.055
Singapore	0.169	0.282	0.025	0.031
Thailand	0.119	0.154	0.082	0.025
Viet Nam	0.137	0.231	0.044	0.043
Average	**0.095**	**0.152**	**0.039**	**0.026**
Pacific				
Fiji	0.060	0.083	0.051	0.007
Marshall Islands	0.167	0.339	0.068	0.011
Nauru	0.034	0.025	0.050	0.000
Palau	0.148	0.228	0.091	0.001
Papua New Guinea	0.005	0.010	0.001	0.000
Samoa	0.066	0.133	0.028	0.212
Solomon Islands	0.045	0.104	0.015	0.012
Timor-Leste	0.140	0.000	0.221	0.056
Vanuatu	0.025	0.037	0.020	0.000
Average	**0.077**	**0.106**	**0.061**	**0.033**

Source: ADB staff estimates based on SPI country reports (Appendix 2).

Table A3.6   Unweighted Social Protection Index by Program and by Income Group, 2009

Country	Overall Social Protection Index	Unweighted Program Social Protection Indices		
		Social Insurance	Social Assistance	Labor Market Programs
High-Income Countries				
Japan	0.416	0.523	0.213	0.067
Korea, Rep. of	0.200	0.216	0.181	0.059
Singapore	0.169	0.282	0.025	0.031
Average	**0.262**	**0.341**	**0.140**	**0.052**
Upper-Middle-Income Countries				
Azerbaijan	0.187	0.264	0.128	0.001
Malaysia	0.155	0.281	0.026	0.004
Palau	0.148	0.228	0.091	0.001
China, People's Rep. of	0.139	0.172	0.075	0.048
Thailand	0.119	0.154	0.082	0.025
Maldives	0.073	0.052	0.131	0.011
Nauru	0.034	0.025	0.050	0.000
Average	**0.122**	**0.168**	**0.083**	**0.013**
Lower-Middle-Income Countries				
Armenia	0.085	0.066	0.115	0.011
Bhutan	0.036	0.025	0.055	0.001
Fiji	0.060	0.083	0.051	0.007
Georgia	0.137	0.163	0.127	0.000
India	0.051	0.019	0.044	0.250
Indonesia	0.044	0.028	0.073	0.015
Lao People's Democratic Republic	0.026	0.043	0.018	0.001
Marshall Islands	0.167	0.339	0.068	0.011
Mongolia	0.206	0.239	0.166	0.141
Pakistan	0.047	0.104	0.017	0.012
Papua New Guinea	0.005	0.010	0.001	0.000
Philippines	0.085	0.182	0.022	0.055

Table A3.6   *continued*

Country	Overall Social Protection Index	Unweighted Program Social Protection Indices		
		Social Insurance	Social Assistance	Labor Market Programs
Samoa	0.066	0.133	0.028	0.212
Solomon Islands	0.045	0.104	0.015	0.012
Sri Lanka	0.121	0.227	0.036	0.037
Timor-Leste	0.140	0.000	0.221	0.056
Uzbekistan	0.343	0.528	0.214	0.002
Vanuatu	0.025	0.037	0.020	0.000
Viet Nam	0.137	0.231	0.044	0.043
Average	**0.096**	**0.135**	**0.070**	**0.046**
Low-Income Countries				
Afghanistan	0.046	0.003	0.050	0.096
Bangladesh	0.043	0.020	0.038	0.164
Cambodia	0.020	0.013	0.024	0.035
Kyrgyz Republic	0.151	0.105	0.237	0.008
Nepal	0.068	0.098	0.055	0.014
Tajikistan	0.039	0.092	0.020	0.004
Average	**0.061**	**0.055**	**0.071**	**0.054**

Note: The income grouping was adopted from the World Bank classification, which is based on the country's per capita gross national income.

Source: ADB staff estimates based on SPI country reports (Appendix 2).

Table A3.7 Social Protection Index by Depth and by Program, 2009

Country	Social Protection Index	Depth			
		Overall Depth	Social Insurance	Social Assistance	Labor Market Programs
Central and West Asia					
Armenia	0.085	0.260	0.177	0.350	0.478
Azerbaijan	0.187	0.622	1.052	0.300	0.033
Georgia	0.137	0.436	0.458	0.379	0.000
Kyrgyz Republic	0.151	0.196	0.133	0.264	0.210
Tajikistan	0.039	0.212	0.288	0.143	0.129
Uzbekistan	0.343	1.039	2.349	0.428	0.108
Average	**0.157**	**0.461**	**0.743**	**0.311**	**0.160**
East Asia					
China, People's Rep. of	0.139	0.174	0.178	0.152	0.156
Japan	0.416	0.460	0.523	0.400	0.070
Korea, Rep. of	0.200	0.225	0.222	0.332	0.059
Mongolia	0.206	0.274	0.318	0.230	0.141
Average	**0.240**	**0.283**	**0.310**	**0.279**	**0.106**
South Asia					
Afghanistan	0.046	0.431	0.123	0.419	0.549
Bangladesh	0.043	0.237	4.924	0.142	0.363
Bhutan	0.036	0.310	2.530	0.237	0.019
India	0.051	0.215	0.172	0.146	0.583
Maldives	0.073	0.432	0.275	0.873	0.529
Nepal	0.068	0.444	2.013	0.271	0.041
Pakistan	0.047	0.590	0.725	0.334	0.817
Sri Lanka	0.121	0.224	1.762	0.037	0.091
Average	**0.061**	**0.360**	**1.565**	**0.307**	**0.374**
Southeast Asia					
Cambodia	0.020	0.090	0.239	0.062	0.270
Indonesia	0.044	0.068	0.061	0.069	0.149
Lao People's Democratic Republic	0.026	0.089	0.376	0.041	0.004
Malaysia	0.155	1.088	3.766	0.146	0.012
Philippines	0.085	0.368	1.056	0.082	0.190
Singapore	0.169	0.211	0.361	0.028	0.044
Thailand	0.119	0.153	0.193	0.085	0.322

Table A3.7   *continued*

Country	Social Protection Index	Depth			
		Overall Depth	Social Insurance	Social Assistance	Labor Market Programs
Viet Nam	0.137	0.205	0.330	0.055	0.832
Average	**0.095**	**0.284**	**0.798**	**0.071**	**0.228**
The Pacific					
Fiji	0.060	1.107	2.915	0.702	0.158
Marshall Islands	0.167	1.463	1.819	0.873	0.804
Nauru	0.034	0.590	1.273	0.478	0.000
Palau	0.148	0.588	0.831	0.326	0.033
Papua New Guinea	0.005	2.108	6.280	0.475	2.879
Samoa	0.066	0.828	3.505	0.310	1.423
Solomon Islands	0.045	0.533	4.198	0.123	0.181
Timor-Leste	0.140	0.391	0.000	0.388	0.533
Vanuatu	0.025	0.479	4.252	0.220	0.671
Average	**0.077**	**0.899**	**2.786**	**0.433**	**0.743**

Source: ADB staff estimates based on SPI country reports (Appendix 2).

Table A3.8   Social Protection Index by Breadth and by Program, 2009

Country	Social Protection Index	Unweighted Breadth			
		Overall Breadth	Social Insurance	Social Assistance	Labor Market Programs
Central and West Asia					
Armenia	0.085	0.325	0.373	0.330	0.023
Azerbaijan	0.187	0.300	0.251	0.427	0.043
Georgia	0.137	0.314	0.356	0.335	0.000
Kyrgyz Republic	0.151	0.772	0.790	0.898	0.040
Tajikistan	0.039	0.185	0.321	0.142	0.030
Uzbekistan	0.343	0.330	0.225	0.501	0.020
Average	**0.157**	**0.371**	**0.386**	**0.439**	**0.026**
East Asia					
China, People's Rep. of	0.139	0.798	0.965	0.490	0.309
Japan	0.416	0.905	0.999	0.533	0.951
Korea, Rep. of	0.200	0.886	0.976	0.547	0.998

Table A3.8   *continued*

Country	Social Protection Index	Unweighted Breadth			
		Overall Breadth	Social Insurance	Social Assistance	Labor Market Programs
Mongolia	0.206	0.752	0.752	0.720	1.000
Average	**0.240**	**0.835**	**0.923**	**0.572**	**0.814**
South Asia					
Afghanistan	0.046	0.108	0.022	0.120	0.175
Bangladesh	0.043	0.181	0.004	0.271	0.452
Bhutan	0.036	0.117	0.010	0.234	0.029
India	0.051	0.238	0.108	0.302	0.428
Maldives	0.073	0.168	0.190	0.150	0.021
Nepal	0.068	0.154	0.049	0.201	0.355
Pakistan	0.047	0.080	0.144	0.051	0.015
Sri Lanka	0.121	0.541	0.129	0.964	0.409
Average	**0.061**	**0.198**	**0.082**	**0.287**	**0.236**
Southeast Asia					
Cambodia	0.020	0.225	0.053	0.387	0.131
Indonesia	0.044	0.650	0.457	1.047	0.101
Lao People's Democratic Republic	0.026	0.296	0.115	0.456	0.207
Malaysia	0.155	0.143	0.075	0.181	0.335
Philippines	0.085	0.231	0.172	0.262	0.289
Singapore	0.169	0.802	0.783	0.869	0.697
Thailand	0.119	0.777	0.802	0.970	0.078
Viet Nam	0.137	0.671	0.701	0.790	0.052
Average	**0.095**	**0.474**	**0.395**	**0.620**	**0.236**
The Pacific					
Fiji	0.060	0.054	0.029	0.073	0.047
Marshall Islands	0.167	0.114	0.186	0.078	0.014
Nauru	0.034	0.058	0.019	0.104	0.000
Palau	0.148	0.252	0.275	0.278	0.024
Papua New Guinea	0.005	0.002	0.002	0.003	0.000
Samoa	0.066	0.079	0.038	0.090	0.149
Solomon Islands	0.045	0.085	0.025	0.122	0.065
Timor-Leste	0.140	0.357	0.000	0.571	0.105
Vanuatu	0.025	0.052	0.009	0.091	0.001
Average	**0.077**	**0.117**	**0.065**	**0.157**	**0.045**

Sources: ADB staff estimates based on SPI country reports (Appendix 2).

Table A3.9   Components of Social Protection

Item	Expenditures (%)	Beneficiaries (%)
Social Insurance (share of social protection)	59	37
Individual SI Programs (share of total SI)		
Pensions	65	45
Health Insurance	13	35
Other SI	22	20
Total SI	**100**	**100**
Social Assistance (share of social protection)	36	58
Individual SA Programs (share of total SA)		
Social Transfers	32	34
Child Welfare	34	31
Disaster Relief	14	15
Assistance to the elderly	12	8
Health Assistance	5	9
Disability Programs	3	2
Total SA	**100**	**100**
Labor Market Programs (share of social protection)	5	6
Individual LMP Programs (share of total LMP)		
Skills Development and Training	46	48
Food/Cash for Work Programs	54	52
Total LMP	100	100

LMP = labor market program, SI = social insurance, SA = social assistance.
Source: ADB staff estimates based on SPI country reports (Appendix 2).

Table A3.10   Public Health Expenditures, Share of GDP (%), 2009

Country[*]	Share of GDP (%)
Afghanistan	0.8
Armenia	2.1
Azerbaijan	1.3
Bangladesh	1.1
Bhutan	4.2
Cambodia	2.1
China, People's Rep. of	2.7
Fiji	3.4
Georgia	2.3
India	1.3
Indonesia	1.1
Japan	7.8
Korea, Rep. of	4.0
Kyrgyz Republic	3.4
Lao People's Democratic Republic	1.2
Malaysia	2.6
Maldives	3.5
Mongolia	3.1
Nepal	1.7
Pakistan	0.8
Papua New Guinea	2.5
Philippines	1.3
Samoa	4.6
Singapore	1.6
Sri Lanka	1.5
Tajikistan	1.7
Thailand	2.9
Uzbekistan	2.8
Vanuatu	4.5
Viet Nam	2.6

GDP = gross domestic product

[*] Countries with comparable data.

Source: World Health Organization. Global Health Observatory Data Repository. http://apps. who.int/gho/data (accessed 7 December 2012).

Table A3.11   Social Protection Index by Poor and Nonpoor by Country, 2009

Country	Poor				Nonpoor			
	Overall	Social Insurance	Social Assistance	Labor Market Programs	Overall	Social Insurance	Social Assistance	Labor Market Programs
Central and West Asia								
Armenia	0.019	0.001	0.018	0.000	0.065	0.030	0.035	0.001
Azerbaijan	0.041	0.018	0.023	0.000	0.146	0.119	0.026	0.000
Georgia	0.036	0.014	0.022	0.000	0.101	0.091	0.011	0.000
Kyrgyz Republic	0.042	0.003	0.039	0.000	0.109	0.050	0.059	0.000
Tajikistan	0.009	0.000	0.009	0.000	0.030	0.025	0.005	0.000
Uzbekistan	0.061	0.003	0.057	0.000	0.282	0.244	0.038	0.000
Average	**0.035**	**0.007**	**0.028**	**0.000**	**0.122**	**0.093**	**0.029**	**0.000**
East Asia								
China, People's Rep. of	0.011	0.001	0.010	0.000	0.127	0.116	0.007	0.004
Japan	0.131	0.091	0.037	0.003	0.285	0.277	0.004	0.004
Korea, Rep. of	0.044	0.009	0.034	0.001	0.156	0.149	0.005	0.002
Mongolia	0.036	0.003	0.032	0.001	0.170	0.133	0.031	0.006
Average	**0.056**	**0.026**	**0.028**	**0.001**	**0.184**	**0.169**	**0.012**	**0.004**
South Asia								
Afghanistan	0.020	0.000	0.013	0.007	0.027	0.001	0.022	0.004
Bangladesh	0.015	0.000	0.007	0.008	0.027	0.008	0.012	0.007
Bhutan	0.006	0.000	0.006	0.000	0.030	0.010	0.020	0.000
India	0.019	0.001	0.009	0.010	0.032	0.007	0.014	0.011
Maldives	0.014	0.002	0.012	0.000	0.059	0.032	0.026	0.000
Nepal	0.009	0.000	0.007	0.001	0.060	0.039	0.021	0.000
Pakistan	0.007	0.000	0.006	0.001	0.040	0.036	0.003	0.001
Sri Lanka	0.016	0.003	0.012	0.001	0.105	0.098	0.004	0.002
Average	**0.013**	**0.001**	**0.009**	**0.003**	**0.048**	**0.029**	**0.015**	**0.003**
Southeast Asia								
Cambodia	0.008	0.000	0.006	0.003	0.012	0.005	0.006	0.001
Indonesia	0.006	0.000	0.006	0.000	0.038	0.014	0.022	0.001
Lao People's Democratic Republic	0.006	0.000	0.005	0.000	0.020	0.017	0.004	0.000

Table A3.11   *continued*

Country	Poor				Nonpoor			
	Overall	Social Insurance	Social Assistance	Labor Market Programs	Overall	Social Insurance	Social Assistance	Labor Market Programs
Malaysia	0.015	0.006	0.009	0.000	0.140	0.139	0.001	0.000
Philippines	0.019	0.007	0.009	0.003	0.066	0.061	0.003	0.003
Singapore	0.038	0.032	0.003	0.003	0.131	0.125	0.005	0.000
Thailand	0.030	0.010	0.018	0.003	0.089	0.082	0.007	0.000
Viet Nam	0.019	0.009	0.009	0.001	0.119	0.107	0.009	0.003
Average	**0.018**	**0.008**	**0.008**	**0.002**	**0.077**	**0.069**	**0.007**	**0.001**
Pacific								
Fiji	0.018	0.001	0.017	0.000	0.042	0.031	0.011	0.000
Marshall Islands	0.015	0.006	0.007	0.000	0.152	0.124	0.029	0.001
Nauru	0.011	0.000	0.011	0.000	0.023	0.010	0.013	0.000
Palau	0.011	0.002	0.009	0.000	0.137	0.108	0.029	0.000
Papua New Guinea	0.000	0.000	0.000	0.000	0.004	0.004	0.001	0.000
Samoa	0.018	0.000	0.013	0.005	0.048	0.035	0.006	0.007
Solomon Islands	0.006	0.000	0.005	0.000	0.039	0.035	0.004	0.001
Timor-Leste	0.061	0.000	0.058	0.003	0.079	0.000	0.078	0.001
Vanuatu	0.007	0.000	0.007	0.000	0.018	0.014	0.004	0.000
Average	**0.016**	**0.001**	**0.014**	**0.001**	**0.060**	**0.040**	**0.019**	**0.001**
Overall Average	**0.024**	**0.006**	**0.016**	**0.002**	**0.086**	**0.068**	**0.016**	**0.002**

Source: ADB staff estimates based on SPI country reports (Appendix 2).

Table A3.12   Social Protection Index by Gender, by Program, and by Country, 2009

Country	Social Protection Index for Women				Social Protection Index for Men			
	Overall	Social Insurance	Social Assistance	Labor Market Programs	Overall	Social Insurance	Social Assistance	Labor Market Programs
Central and West Asia								
Armenia	0.037	0.012	0.025	0.000	0.047	0.018	0.029	0.001
Azerbaijan	0.068	0.046	0.022	0.000	0.118	0.091	0.027	0.000
Georgia	0.060	0.045	0.016	0.000	0.077	0.060	0.017	0.000
Kyrgyz Republic	0.058	0.018	0.040	0.000	0.093	0.035	0.058	0.000
Tajikistan	0.015	0.009	0.006	0.000	0.024	0.016	0.008	0.000
Uzbekistan	0.154	0.095	0.059	0.000	0.189	0.152	0.036	0.000
Average	**0.066**	**0.038**	**0.028**	**0.000**	**0.091**	**0.062**	**0.029**	**0.000**
East Asia								
China, People's Rep. of	0.064	0.056	0.007	0.001	0.074	0.061	0.010	0.003
Japan	0.193	0.170	0.020	0.003	0.223	0.197	0.022	0.004
Korea, Rep. of	0.089	0.065	0.022	0.001	0.111	0.093	0.016	0.002
Mongolia	0.084	0.046	0.036	0.002	0.122	0.089	0.027	0.005
Average	**0.107**	**0.084**	**0.021**	**0.002**	**0.133**	**0.110**	**0.019**	**0.003**
South Asia								
Afghanistan	0.018	0.000	0.015	0.003	0.029	0.001	0.020	0.008
Bangladesh	0.017	0.002	0.009	0.006	0.026	0.006	0.010	0.009
Bhutan	0.015	0.003	0.012	0.000	0.021	0.007	0.014	0.000
India	0.022	0.002	0.010	0.010	0.029	0.005	0.013	0.011
Maldives	0.032	0.013	0.019	0.000	0.041	0.021	0.019	0.000
Nepal	0.021	0.002	0.018	0.001	0.047	0.037	0.010	0.001
Pakistan	0.008	0.004	0.004	0.000	0.039	0.033	0.005	0.001
Sri Lanka	0.060	0.050	0.008	0.001	0.062	0.052	0.008	0.002
Average	**0.024**	**0.010**	**0.012**	**0.003**	**0.037**	**0.020**	**0.013**	**0.004**
Southeast Asia								
Cambodia	0.009	0.002	0.006	0.001	0.011	0.003	0.006	0.002
Indonesia	0.020	0.006	0.014	0.000	0.024	0.008	0.015	0.001
Lao People's Democratic Republic	0.010	0.006	0.004	0.000	0.017	0.011	0.005	0.000

Table A3.12   *continued*

Country	Social Protection Index for Women				Social Protection Index for Men			
	Overall	Social Insurance	Social Assistance	Labor Market Programs	Overall	Social Insurance	Social Assistance	Labor Market Programs
Malaysia	0.065	0.061	0.004	0.000	0.090	0.084	0.006	0.000
Philippines	0.040	0.034	0.005	0.002	0.045	0.035	0.007	0.003
Singapore	0.074	0.068	0.005	0.001	0.095	0.090	0.003	0.002
Thailand	0.049	0.038	0.010	0.001	0.070	0.054	0.015	0.002
Viet Nam	0.066	0.057	0.007	0.002	0.072	0.058	0.011	0.003
Average	0.042	0.034	0.007	0.001	0.053	0.043	0.008	0.002
Pacific								
Fiji	0.022	0.008	0.014	0.000	0.038	0.023	0.014	0.000
Marshall Islands	0.066	0.051	0.014	0.000	0.101	0.079	0.022	0.001
Nauru	0.014	0.004	0.011	0.000	0.020	0.007	0.013	0.000
Palau	0.056	0.038	0.017	0.000	0.093	0.072	0.021	0.000
Papua New Guinea	0.001	0.001	0.000	0.000	0.003	0.003	0.000	0.000
Samoa	0.020	0.009	0.008	0.003	0.045	0.026	0.011	0.009
Solomon Islands	0.012	0.009	0.003	0.000	0.033	0.027	0.006	0.000
Timor-Leste	0.063	0.000	0.062	0.001	0.077	0.000	0.074	0.003
Vanuatu	0.008	0.004	0.004	0.000	0.017	0.010	0.006	0.000
Average	0.029	0.014	0.015	0.001	0.047	0.027	0.019	0.001
Overall Average	0.046	0.030	0.015	0.001	0.064	0.045	0.017	0.002

Source: ADB staff estimates based on SPI country reports (Appendix 2).

Table A3.13   Proportion of the Female Population, 2009

Country	Female Population (%)
Armenia	53.4
Georgia	52.9
Japan	51.3
Cambodia	51.1
Thailand	50.8
Tajikistan	50.7
Kyrgyz Rep.	50.6
Mongolia	50.6
Viet Nam	50.6
Azerbaijan	50.6
Sri Lanka	50.6
Nepal	50.4
Uzbekistan	50.3
Korea, Rep. of	50.1
Lao People's Democratic Republic	50.1
Indonesia	50.1
Philippines	49.8
Singapore	49.6
Maldives	49.5
Bangladesh	49.3
Malaysia	49.2
Pakistan	49.1
Vanuatu	49.0
Timor-Leste	49.0
Papua New Guinea	49.0
Nauru	49.0
Fiji	49.0
Marshall Islands	48.7
India	48.3
Samoa	48.3
Solomon Islands	48.3
Afghanistan	48.3
China, People's Rep. of	48.1
Bhutan	47.1
Palau	46.3

Source: World Bank. World Development Indicators. http://databank.worldbank.org (accessed 26 September 2012).

Table A3.14   Age Structure of the Population, 2009

Country	Share of Population (%)		
	Children (0–14 years)	Working-Age Population (15–59 years)	60 Years Old and Over
Afghanistan	46.8	47.5	5.7
Armenia	19.0	67.6	13.4
Azerbaijan	22.6	65.0	12.4
Bangladesh	33.7	59.8	6.5
Bhutan	31.0	62.1	6.9
Cambodia	34.9	61.3	3.8
Fiji	28.8	63.8	7.4
Georgia	17.1	63.2	19.7
India	32.2	60.2	7.7
Indonesia	26.5	65.6	8.0
Japan	13.3	56.5	30.1
Korea, Rep. of	16.8	68.3	15.0
Kyrgyz Republic	30.3	63.2	6.5
Lao People's Democratic Republic	38.3	56.0	5.7
Malaysia	30.8	61.8	7.5
Maldives	28.4	65.0	6.6
Mongolia	27.6	66.5	5.9
Nauru	35.0	62.4	2.6
Nepal	36.2	57.6	6.2
Pakistan	35.0	59.7	5.3
Palau	24.1	62.5	13.3
Papua New Guinea	21.2	75.4	3.4
Philippines	35.6	58.2	6.2
China, People's Rep. of	18.7	69.0	12.3
Marshall Islands	39.7	56.1	4.2
Samoa	39.3	53.8	6.9
Singapore	17.4	69.4	13.3
Solomon Islands	36.5	58.3	5.2

Table A3.14   *continued*

Country	Share of Population (%)		
	Children (0–14 years)	Working-Age Population (15–59 years)	60 Years Old and Over
Sri Lanka	26.3	64.5	9.2
Tajikistan	35.6	59.3	5.1
Thailand	19.7	68.0	12.3
Timor-Leste	41.4	50.3	8.2
Uzbekistan	30.2	64.0	5.8
Vanuatu	38.9	55.2	5.9
Viet Nam	25.0	66.0	9.0

Source: ADB staff estimates based on SPI country reports (Appendix 2).

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The Social Protection Index
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