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GROWTH, EMPLOYMENT, POVERTY AND SOCIAL PROTECTION:
A CONCEPTUAL FRAMEWORK

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INTRODUCTION

It can be argued that most reduction of income poverty in the developing world is due either to reasonably pro-poor economic growth or to social protection policies of one sort or another, with growth usually the main single factor at work, especially in lower-income countries. Thus the challenge associated with the design of good social protection policies begins with the nature of the growth process. A successful package of economic and social policies must produce (i) a good rate and pattern of economic growth to reduce poverty directly; (ii) a well-designed system of social protection to defend those still left in poverty despite the growth achieved; and (iii) internal consistency between the two broad categories of policy involved, such that neither cancels out the positive effects of the other.1 It is particularly crucial that social protection policy be as consistent as possible with the creation of good jobs, since it is mainly through job creation that growth contributes to poverty reduction.

There are important differences in the design of pro-poor growth and effective social protection programmes across countries, some of them associated with a country’s level of development. Although economic growth is almost always a key factor in poverty reduction, this is especially true for low-income, often mainly agricultural countries. Such countries are generally characterized by a low public spending capacity (due to low taxing capacity), a low implementation capacity and a higher presence of community mechanisms that can protect vulnerable people
from certain types of economic crisis. Their public social protection policies must be consistent with the growth process, both because, *ceteris paribus*, the lower per capita income is, the more important growth is and because, given the necessarily limited role of public social protection, it is essential that it does not hinder but rather complement growth. As countries progress economically, this balance changes, to the point where in countries with high fiscal and implementation capacity, social protection can be a major tool against much poverty and vulnerability.

Of particular interest are the social protection initiatives that overlap with labour market processes and hence affect labour outcomes. Such overlaps take different forms according to where a given policy is on a spectrum from pure protection (no impact on the person’s/family’s capacity to earn income) to pure income growth promotion such that the protection provided comes exclusively from the higher income. Some social protection interventions, though, may directly diminish income earned, such that the net benefit due to the programme is less than the transfer involved. A further relevant distinction is that between social protection whose income-creating effect occurs immediately—for example, employment-generating public works programmes—and those whose income-generating effect comes later, as with conditional cash transfers (CCTs) designed to keep the children of low-income families in school longer or school lunch programmes whose main impact may be a reduction of malnutrition and a healthier person over his/her lifetime. These distinctions by no means fully capture the causal interactions between social protection programmes and either personal/family income growth or the overall economic performance of an economy.

Where poverty or extreme poverty is the result of a vicious circle and it is possible for an appropriate intervention to prevent that circle from occurring or to constitute the first step out of it, the social protection intervention involved can have a special payoff. In this context the way such family economic dynamics occur may be more important than the details of which interventions or elements of assistance have what impact (González de la Rocha et al., 2012). There is thus a need to integrate the analysis of individual social protection interventions with the dynamics of poverty as they play out in given settings, both for the family and for the country. Since employment provides the great bulk of income for lower-income families, the opportunities provided by the labour market and self-employment earnings are likely to be pivotal to the potential success of exit from poverty, sometimes set in motion or at least aided by one or more social protection programme.

Taking a broad perspective on how family welfare may be improved leaves us with the possibility that some of the best policies to ‘protect’ people against bad economic outcomes are ones that promote *pro-poor growth*. Pro-poor growth is growth that raises poor people’s incomes by a greater percentage than those of the non-poor. It means that poor people’s incomes are rising both because of growth *per se* and because the pattern of that growth is pro-poor. In that case, growth objectives and social protection objectives may fully overlap in the sense that the best policies for the first objective are also the best ones for the second. At the other end of the spectrum, the policies that generate fast growth may be exclusive, such that many people’s needs are not satisfied by that growth process and may even be damaged by it. Sometimes even the most beneficial growth pattern that a country can manage excludes too many people from
the benefits and thus needs to be complemented by a strong social protection package designed
to protect those not otherwise taken care of.

A number of social protection programmes have been introduced or greatly expanded in
developing countries over the last few decades, and there is now a large literature that assesses
them (UNRISD, 2010; Hujo and McClanahan, 2009; Grosh et al, 2008) Mainly independently
of the social protection literature there has been an ongoing debate on how satisfactorily labour
markets and labour outcomes have been evolving and what policies and structural factors lie
behind differences in that performance (Pages, 2004; Perry et al, 2007; World Bank, 2012).
Finally, there is still a small literature that addresses aspects of the interface between social
protection and labour outcomes and/or aggregate economic performance (Auerbach et al, 2007;
Levy, 2008; Berry, 2013). This area, to which this volume attempts to contribute, is a very impor-
tant one, partly because social protection policies do matter in an increasingly important way
to many people in many countries and partly because there are a number of important possible
causal links between labour market functioning/labour outcomes and those social protection
policies.

Any discussion of the benefits and costs of social protection must begin by recognizing
the wide range of programmes, their differing objectives and the wide range of country settings.
‘Country setting’ here includes economic structure, level of development and levels of poverty
and related social ills, on the one hand, and administrative capacity of government or other
relevant institutional actors, on the other.

The heart of this volume consists of six case studies (Malawi, Tajikistan, India, Kenya,
Peru and Mexico) involving a wide range of country settings for social protection and hence
for the interfaces of those policies with economic growth and labour outcomes. They similarly
feature a wide range of social protection policies, of total resources directed towards them and
probably also of the overall impact of those policies on welfare, poverty, employment and other
important variables. Malawi and Tajikistan have lower incomes, so growth remains central to
long-term success, while Peru and Mexico have higher incomes and are using their greater social
protection potential in a variety of ways. In Kenya a lack of jobs for young people is of special
concern. India has recently launched the single biggest social protection programme ever, with
great potential to reduce poverty and economic insecurity but also with enormous implementa-
tion challenges.

The case study approach makes no attempt to reach wide-ranging generalizations about any
specific types of social protection policy; rather, the aim is to throw light on a range of issues
raised by the cases included. They are mostly direct policy issues, i.e. involving how well vari-
ous types of policies have been or could be working. In some cases, especially the India study,
there is heavy emphasis on methodology of analysis, in particular the importance and value of
a general equilibrium approach to estimating programme benefits.

This introductory chapter lays out a taxonomy of linkages between social protection and the
economic variables towards which policy is directed—growth, employment, inequality, poverty
and economic vulnerability. It aims to provide a framework for the sort of analysis carried out in the country case studies. Like those studies, it places special emphasis on the linkages between social protection, economic policy and growth, to highlight the importance to policy-makers of avoiding the too-common institutional separation between these policy areas. The final overview or comparative chapter summarizes the main results emerging from each of the case studies and draws some overarching conclusions.

**BACKGROUND CONCEPTS FOR THINKING ABOUT GROWTH, POVERTY REDUCTION AND SOCIAL PROTECTION**

‘Social protection’ is one of the ways to reduce and/or alleviate the impacts of poverty and people’s vulnerability to it. Before looking in detail at the key issues involved in the design of a set of policies that meet these criteria, it is helpful to review relevant background concepts.

**A country’s average income level and its growth** broadly depend on:

- resources available—natural resources such as land, physical capital, human capital (knowledge and skills);
- technologies available and in use, which determine the potential productivity of the resources;
- the degree of resource utilization (what share of available resources are actually being used); and
- the efficiency of resource utilization, i.e. the degree to which the resources are being allocated to their most productive potential uses.

**The rate of growth of a country’s economy** depends on changes over time in these four variables, i.e.:

- the rate of investment in physical and human capital, and of discovery of new natural resources;
- the rate of total factor productivity improvement (or technological change, in economic parlance);³
- changes in the degree to which available resources in the economy are utilized; and
- changes in the effectiveness with which those resources are employed (allocated among alternative uses).

The same four categories of factors are relevant to the growth of any economic unit, from the world economy to national, sub-national, local and on down to individual companies. All fast-growing economic units have high rates of investment; they typically also have high rates of productivity growth and usually improve the rate of resource utilization and sometimes the
effectiveness of resource allocation. Causal interactions among these four factors are also typically at play. Thus new technologies not only directly contribute to growth but also induce more investment than would otherwise have occurred. A high rate of investment tends to increase the degree of utilization of labour (i.e. it cuts unemployment or underemployment).

The incidence of poverty (the share of people with income below a certain minimum absolute level, the ‘poverty line’) depends on the average income in the country and the level of inequality. For a given average income, the greater the level of inequality, the greater the share of people in poverty. Changes in the level of poverty reflect changes in average income and/or in its distribution. When growth occurs with no change in income distribution (i.e. all people or families experience the same percentage growth of income), a smaller share of the population remains in poverty. When inequality falls without any change in average income, more households are clustered in the middle ranges of income. Over recent decades, the great bulk of the poverty reduction that has occurred in the developing world has been due to growth, with few cases of inequality reduction (Amann et al, 2005; Berry and Serieux, 2007; Dollar and Kraay, 2002). But the obvious objective is pro-poor growth.

Poverty and inequality have been defined in various ways, by the level and distribution of household income, with or without any transfers from the state; the level of private consumption; or the level of private plus public consumption (i.e. including publicly provided education and health). The most useful definition involves both private and publicly based incomes, i.e. transfers from the state or direct support (e.g. publicly provided health, education etc.).

This perspective invites the distinction between ways to raise poorer people’s earned incomes through employment, and ways to improve their welfare through the tax and transfer system, which can provide education, health, welfare payments and other poverty-reducing forms of assistance, although these two categories frequently overlap. Practically speaking, employment policy is central to poverty alleviation, since the level and quality of employment is a basic determinant of national income and its distribution. The main source of income for 80–90 percent of families in most countries is their labour.

Vulnerability, the possibility of being thrown into a state of emergency or distress by some uncontrollable event, is naturally related to poverty, since poor people are more vulnerable to almost all types of crises. Those who are better-off economically can insure themselves against certain types of risk—for example, by saving during their working years to prepare for retirement or by buying insurance against unlikely events.

Poverty and vulnerability diminish or threaten people’s welfare, either on a continuing basis (poverty) or through occasional emergencies and the psychological toll extracted by the awareness of and worry about that vulnerability (Naudé et al., 2009; Naudé and Santos-Paulino, 2010).

Who is poor (and hence more vulnerable) depends both on how the economy itself functions to generate the ‘primary distribution of income’ and how government or other redistributive policies or practices then affect the ‘secondary (or final) distribution of income’. The primary income distribution, which reflects both the economic behaviour of individuals and the
economic context in which they live, determines who will suffer from poverty in the absence of any societal response to prevent them from doing so.

As for inequality, the main and most obvious causal factor is the ownership pattern of the inputs to production, i.e. natural resources, physical capital and human capital or skills. Concentrated ownership of these inputs guarantees a concentrated distribution of primary income. Also important, however, are the technologies in use; thus a country with a large population but which employs a lot of modern, capital-intensive technology (e.g. large tractors on its farms) is more likely to have an unequal distribution of income, whereas one that uses technologies more in keeping with the available resources will suffer less inequality.

Both growth and inequality are influenced by many aspects of the structure of the economy and the institutions of the society. Among the relevant structural features are the composition of the economy by sector (agriculture, manufacturing, transportation etc.), by size of firm and by technology used. A well-recognized source of inequality in many developing countries is the high level of dualism, whereby much of the economy's capital is employed in capital-intensive (usually modern) technologies that employ few workers, thus leaving most of the labour force to operate with very labour-intensive technologies, usually in small farms or the informal non-agricultural sector.

**SOCIAL PROTECTION**

The levels of per capita income and of inequality that result from the functioning of the market economy always leave some people in poverty and/or vulnerable to emergencies; social protection policies are designed to alleviate these problems (and, where possible, to contribute to pro-poor growth). When considering how the attempt to reduce poverty can be made most consistent with the attempt to generate fast pro-poor growth, it is helpful to highlight a number of distinctions within the broad area of social protection.

**Prevention of poverty vs. prevention of specific emergencies:** Social protection can respond to two types of emergency. In one, the basic problem is low income, so the assistance is directed at raising income. This category includes welfare programmes (that provide income to the beneficiaries, either monetary or in kind) and employment guarantee systems (employment of last resort); they are anti-poverty programmes in the most direct sense. They may be permanent, when the problem is chronic poverty, or temporary to address temporary (e.g. seasonal) poverty. The other variant is directed at more narrowly defined emergencies, especially ones involving health, but also such problems as vulnerability to food shortage or to abusive treatment.

**Prevention vs. reaction:** People can be protected against social and economic emergencies in a range of ways. Table 1.1 summarizes the forms that direct social protection can take and the ways it may be provided.
Table 1.1: Different Types of Provision of Direct Social Protection against Emergencies

<table>
<thead>
<tr>
<th>Form of protection</th>
<th>Context</th>
<th>Provider of resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>High-income protection</td>
<td>The individual or family has enough income to deal with a situation that would constitute an emergency for a lower-income family.</td>
<td>Individual or family</td>
</tr>
<tr>
<td>Preventive protection</td>
<td>Because of the high costs involved, advance savings are needed to provide a fund to deal with the contingency should it arise, such as serious health risks—in some countries primarily through private insurance, in others through privately and publicly funded social security. Saving up for retirement, either privately or through public programmes, can prevent poverty in old age.</td>
<td>Individual or family, state or other (especially employer)</td>
</tr>
<tr>
<td>Reactive protection</td>
<td>Someone steps in to offset the effects of looming or actual emergencies—e.g. anti-poverty targeting programmes provide incomes, food or other necessities to poor families.</td>
<td>State or other than the individual or family in question</td>
</tr>
</tbody>
</table>

Individuals or families reduce their vulnerability in various ways, including: income diversification; drawing down of assets or borrowing when possible; adding family members to the labour force to raise more income; migration and remittances; and, in extreme cases, families and communities can sometimes rely on wider social networks. Actions such as distress sales of productive assets and keeping children out of school to work generate their own risks and/or future costs (Perry et al., 2007: 191). Taken together, these responses still fall far short of a good level of social protection. This is especially so when the share of families in distress rises quickly, as under conditions of macroeconomic recession, regional agricultural crisis or disease epidemic.5

When assistance comes substantially or wholly from the state, it is traditionally referred to as **social protection**. When the objective is straightforward, reactive poverty alleviation, it is referred to as ‘**social assistance**’ (e.g. welfare programmes), and when it is designed to prevent poverty or other emergencies, it is referred to as ‘**social insurance**’.6

Social protection is only one of a number of ways in which state actions affect the degree and frequency with which people suffer from poverty and other emergencies. People can be protected from temporary poverty or an income-related vulnerability by:

- social assistance (social welfare);
- social insurance, organized and at least partly funded by the state;7
- insurance mandated by the state but paid for partially or wholly by the individual and/or the employer;
- insurance organized and funded voluntarily by the individual;
Social protection, growth and employment

- programmes with a social protection component (reflected in a subsidy) that also raise the primary income of poor people, such as microfinance;
- any other programmes or policies that are pro-poor in terms of their impact on the primary distribution of income; and
- any other programmes or policies that promote growth and, though not pro-poor (so inequality increases), do lead to a fall in poverty.

All of the above approaches can reduce temporary poverty and/or vulnerability. All except for insurance organized by the individual can reduce permanent poverty, since people who are permanently poor do not generally have the resources to self-insure.

When the state is involved in social protection as usually defined (the first three items above), it may be the direct provider of protection or may mandate such provision through someone else, typically the employer (for more detail, see below). It may also subsidize provision through private suppliers of services, as with health.

Social protection is sometimes thought of only in the narrow sense of redistributive policies such as welfare payments, but this is far too narrow an approach to guide thinking about overall strategies to minimize poverty and vulnerability. As noted above, individuals and families also respond to vulnerability through their own actions, when they can, and policy should aim to support and facilitate such actions, as by widening access to savings institutions. Also, there is no clear line between the policies that determine income levels and those that contribute to social protection. Employment and social protection issues need to be analysed simultaneously because they are causally linked to each other in many ways.

Although their relative importance naturally varies widely across countries, the main forms of social protection include:

- social assistance against poverty, taking such forms as welfare payments, food subsidies, cash transfer programmes and guaranteed employment programmes;
- social assistance against specific threats to welfare, such as health problems (e.g. via a rural public primary health system); less frequently, protection against various forms of abuse (e.g. of children);
- free provision of education up to a certain level for all children (which constitutes part of social protection for those in low-income families) and training programmes for low-income people;
- a set of labour market policies, of which key elements are a minimum wage (or a set of minima attached to different types of job), limits on and financial recompense when the worker is fired, codes governing the hours and conditions of work and, less frequently, unemployment insurance programmes;
- stabilization of food prices to avoid their becoming excessively high; and
- at least some countries now also include microfinance and other programmes that help raise the incomes of small producers.
Coverage—the danger that poor people may be squeezed out of social protection programmes: Some social protection programmes are ‘universal’ in that they are in principle applied to the whole population, while others are deliberately targeted to, or by the nature of their organization apply only to, sub-groups of the population. Old-age pensions in industrial countries are virtually universal. Their main objective is often to have a social protection impact on the lower-income members of the society. This could also be achieved by targeting the pensions only at those lower-income people, but universality is preferred because it (i) avoids any possible stigma for those who receive the pension; (ii) avoids the risk that poor people will be missed through faulty targeting; and (iii) avoids the added costs of targeting, while (iv) being able to rely on an income tax system which assures that the bulk of the pension revenue accruing to well-off people will revert back to the state in the form of higher income tax payments.

In principle, programmes that target poor people have the potential to achieve greater anti-poverty efficiency—more poverty reduction per dollar spent—than other programmes. This does depend, however, on the costs and efficiency of the targeting process and also on stigma effects. One of the most effective ways to keep targeting efficient and economical is to design a ‘self-targeting’ system in which only those in the greatest need seek the assistance. Guaranteed employment programmes can achieve this by keeping the wage low enough so that only those in poverty will find it attractive. If the wage is relatively high, there will be too many non-poor people who want to participate in the programme, and cronyism and favouritism will then select in many of them, while selecting out many of the poor people. When self-targeting is not an available approach, other ways must be found to make sure that the resources reach poor people.

THE BROAD MECHANISMS AND INSTITUTIONS OF SOCIAL PROTECTION PROVISION

Each component of direct social protection (the first three categories listed above) involves a decision process, financing and delivery. The three main institutional participants are the state, the employer and the individual. The state’s role can be as mandator, as funder, as direct provider or in some combination of these roles. The other categories involve indirect provision of protection, since the benefits to the recipient come through some other channel, such as higher earnings of a microentrepreneur, the greater demand for labour due to a well-designed industrial policy, etc.

In many settings, several social protection needs are bundled together, and their provision is part of the labour contract. Where social security provision is tied to formal employment and the administration lodged with the employer, the government is not the direct provider of most of the benefits involved, and the firm is typically acting on instructions from the state, which sets rules for how services are provided and often contributes to the fund from which they are financed. The content of such contracts is also affected by bargaining between employers and unions—for example, to top up the state’s minimum stipulations. Almost all (perhaps all) countries have some combination of employer and state involvement in social protection tied to employment, but the proportions vary.
In many developing countries the employer plays a large role, with the insurance-related aspects of social protection thus limited to workers in the formal sector (large firms and the public sector) and excluding many in the urban informal and rural agricultural sectors. This strategy creates a dichotomy between those within the protective system and those outside it. One of the major issues arising in discussions of formalization policies is this inequitable social protection system. Recent trends towards making some elements of social protection universal have reduced that inequality but have created complex issues of how the two different systems may best co-exist and how to move toward a more universal system.

Sorting out the various impacts of mandated employer-managed social protection arrangements is difficult. Taken at face value, the future social protection services received by the workers are financed partly by them through their withheld contributions to the social protection fund, with another contribution coming from the employer and sometimes a third from the state. But the real effects of such a system depend on how the worker and employment contributions affect the wage rate and on what these two types of agents would have done with the funds had they had unrestricted access to them. One possibility (or probability) is that the wage rate would be lower because of the non-wage labour costs the firm must pay. Normally, however, wages are not pushed down by the full amount of non-wage costs, so total labour costs to the firms are raised. Assuming that workers would not have saved the full amount of the additional wages they would have received in the absence of the withholding system, this means that they are engaging in some forced savings, with the state essentially forcing workers into a behaviour pattern which will either help them when services are needed (e.g. a health emergency) or in old age or will negate the need for the state to undergo expenditures at such times.

The employer-based social security system typically becomes a combination of mandated minimum conditions for all covered workers, together with another set of usually less essential additional benefits. In Mexico, for example, there are eight components of the benefits package: health insurance, retirement pensions, disability insurance, profession risk insurance, life insurance, child care centres for workers, sports and cultural facilities and housing credits (Perry et al., 2007: 194). Some of these covered formal sector workers will naturally value certain of these benefits much more than others. Where an available benefit has no value to a worker, he/she may see its implicit cost (wages forgone) as a pure tax. Most of these workers are not under the poverty line and might be in a position to handle more of their insurance needs on their own, either through private purchase or another of the risk-deterring steps available.

The state is by definition involved in both the mandated employment-related contributory social protection systems and the non-contributory ones, so policy attention is naturally directed towards these two. Usually less attention goes to individual and family self-protection. But sometimes public policy can substantially influence the effectiveness of such protection, to the direct benefit of the people involved but also of the state, which thereby relieves itself of some part of the task it would otherwise face. Improvements to the financial system, such as the extension of rural banks with their deposit-taking functions in Indonesia and India at various points over the last few decades, appear to have made a significant difference (Patten and Rosengard, 1991; Burgess and Pande, 2005). Chile encouraged the development of private entities towards
which individuals could direct their pension fund. Many policies less directly related to savings can also play important roles—for example, food price stabilization, which makes it easier for families to plan for future needs and against future emergencies.

**SELF-PROTECTION AND THE COVERAGE OF SOCIAL PROTECTION SYSTEMS**

Although world poverty trends have been moving in the right direction, at least until the current recession, in many individual countries progress has been absent or discouragingly slow; in some, trends have even been negative.

Frequency and severity of vulnerability to emergencies are harder to measure than, for example, poverty or health. A rough idea of how successfully families deal with income shocks comes from analyses of the degree of consumption reduction per dollar of income reduction. Evidence from several Latin American countries suggests that on average a 10 percent income shock translates into a 2.5 percent to 4 percent decrease in consumption. Poor people are less capable of such consumption smoothing than others. In rural China, a 10 percent income shock lowered consumption by 1 percent for the wealthiest households but by 4 percent for the poorest (Jalan and Ravallion, 1999). Families are particularly vulnerable to the effects of health shocks (Baeza and Packard, 2006), which often drive them into poverty.

One aggregate indicator of the possible performance of social protection programmes is the share of gross domestic product (GDP) spent on social protection. In the Latin America and Caribbean (LAC) region in the early 2000s this share ranged from almost zero (less than 0.5 percent in Jamaica and Ecuador) to over 16 percent (Uruguay). The regional average rose from 4.0 percent of GDP in the mid-1990s to 4.8 percent a decade later, compared to an average of 14.4 percent in Organisation for Economic Co-operation and Development (OECD) countries, 16.6 percent in Continental Europe and 8.3 percent in the USA (Perry et al., 2006, 189). When data are disaggregated, one sees that the bulk (usually over two thirds) is for social insurance, typically employer-managed. In a number of countries, however, its share has fallen as that going to poverty-oriented assistance programmes has increased. Transfers per person in the latter tend to be considerably smaller than in the traditional social security systems (Lindert et al., 2006). The ideal indicator of effort—still not often available—is the percentage of GDP going to social protection services for lower-income or vulnerable people.

Information on share of families covered by social protection programmes around the developing world remains inconsistent. Within LAC, where the data are more readily available, the share of the economically active population who contribute to pension systems varies from around 10 percent in Bolivia to over 60 percent in Costa Rica, with the regional average around 40 percent (Perry et al., 2007: 184). Despite a clear positive cross-country association with per capita income level, the ratios generally fell in Latin America between the 1990s and 2000s despite modest increases in per capita income. The reasons for this include increases in participation rates, especially for women during the 1990s, growth in the (usually lower-coverage)
non-tradables sectors due to currency appreciation in the early 1990s (Colombia and Brazil), and social security reforms which may have lowered the perceived benefits of affiliation.

Coverage rates of contributory systems are, as expected, consistently less for lower-income workers. No LAC country exceeds 50 percent coverage for the lowest quintile. In most, the poorest people are practically excluded (ibid.: 185–6). In Brazil the coverage (percentage contributing) for the bottom quintile is a little under 20 percent and for the top one close to 70 percent. Inequalities in access tended to increase between the 1990s and the 2000s. In the Southern Cone countries (Chile, Argentina and Uruguay) and in Costa Rica this reflected falls in coverage of the poorest quintile. A number did launch or expand poverty reduction and/or social assistance programmes for poor people, so the situation is not as bad as these figures suggest. Still, the overall social implications of the observed trends call for a careful analysis.

Pension coverage (of some sort) among elderly people ranges from around 10 percent to 80 percent (Uruguay and Brazil). For the few countries with separate data on contributory and non-contributory old-age pension systems, the latter usually accounts for a substantial share of the total coverage, and in Bolivia the huge increase in total coverage between the 1990s and 2000s is due to the broad coverage of the non-contributory system (ibid.: 188).

A key component of social protection systems, both in terms of its importance to people and of its cost, is health care. Private insurance markets are of little help in this area, since the severe information problems that characterize both health issues and the provision of care are notorious for making the private market for risk prone to failure. Negative externalities from a person’s not caring for himself/herself are another significant reason for public-sector involvement. Many innovations in subsidized public health care and provision of security against emergencies have been made recently. Some of these programmes reach mainly poor people, as with Oportunidades and Seguro Popular in Mexico. HIV and AIDS programmes have been successful in several African countries (Birn et al., 2009).

But available figures continue to portray both low overall coverage of many health services in some countries and large income-related discrepancies of access in others. In Niger, for example, the share of births attended by medically trained personnel were under 10 percent for the bottom three quintiles, rising to over 60 percent for the top one (WHO, 2008: 28).

While it is always hard to know what share of health situations require professional attention, an idea of the sensitivity of access to costs comes from the tripling of outpatient attendance in a region of Uganda which followed within a little over a year of the abolition of user fees (ibid.: 27). The increase came disproportionately from poor people.
THE DANGERS OF CLASSIFYING POLICIES BY MAIN OBJECTIVE AND DISREGARDING INTERRELATIONSHIPS AMONG THEM

Although specific policies are usually directed mainly at a single societal goal, such as growth or poverty reduction, they usually also have other effects, often indirect ones. Partly to achieve simplicity and order in the policy-making and implementation processes, governments and their executing agencies tend to focus solely on the primary objective of each given policy. Up to a point, such ‘decentralization’ of policy-making and implementation is necessary, but it also brings dangers. Governments usually undertake joint decision-making of some form or other; however, there are many bureaucratic, human resource and other limitations and obstacles to effective coordination, and usually less joint decision-making occurs than would be desirable. Because of the rather different nature of the objectives, there is a particularly marked tendency to treat economic policies and social policies separately, and not to pay sufficient attention to making them consistent with and mutually supportive of each other.

One might thus distinguish three broad orientations among economic and social policies:

- exclusively or nearly exclusively improving market outcomes (growth, employment, equality etc.);
- exclusively or nearly exclusively providing social protection (e.g. welfare policies for people clearly unable to earn a living on their own, health services for people whose economic performance is unlikely to be much affected by their health); and
- significantly involving both market outcomes and social protection.

Most people in decision-making positions place nearly all policies in one of the first two categories. In fact, although some ‘economic’ policies may legitimately fall into the first category and many ‘social’ policies into the second, many policies belong in the in-between range; although they have significant effects directly on market outcomes, they also constitute part of the social safety net. Sometimes, when it is feared that programmes with a social protection objective may create perverse economic incentives, the benefits provided are made conditional, as in conditional cash transfer systems or in cases where receipt of unemployment insurance payments is made conditional on some sort of training (as traditionally in Sweden). Such programmes thus provide conditional social protection and reflect consideration of both the social and the economic effects.

The above ‘orientations’ reflect where the expected effects lie. But the actual effects may be substantially different: first, because policies may not be well designed or implemented vis-à-vis their intended objectives and, second, because they may give rise to many unforeseen indirect effects. One type of design shortcoming is the failure to take into account the interactions among different policies. The ideal in policy-making is thus to consider the impact of each
possible combination of policies on each of the targets of policy and to select the recipe that can provide the best combination of outcomes. This involves distinguishing policies according to their combination of growth and employment/equality impacts on the primary distribution of income, and according to their links to the tax and transfer policies that affect the secondary distribution of income.

**HOW A COUNTRY’S ECONOMIC STRUCTURE AFFECTS SOCIAL PROTECTION POLICY**

A country’s economic structure affects its social protection system in several key ways. The nature and severity of the needs for and potential supply of protection reflect the per capita income, its distribution and the dominant sorts of economic activities.

- Higher average incomes allow people to take care of more problems on their own. Lower inequality means that the share who are poor or very poor and, therefore, most in need of protection is smaller.

- Per capita income—which substantially determines the level of financial and human resources available for social protection—and the competence and honesty of the public sector determine the potential ‘supply’ of such protection.

- The sectoral composition of economic activities affects the extent and nature of the needs for protection, because those needs vary due to factors such as seasonal smoothness of the income stream, frequency of severe drops in income etc. In low-income countries most of the population is in agriculture, which often implies severe fluctuations in income over the course of the year, as well as periodic crises through lack of rainfall or other misfortunes.

- The dominant form of business enterprise has implications for how social protection services may best be provided and also for the availability of resources to provide them. Here the important dichotomy is between the larger formal-sector firms and the informal ones. As discussed below, the existence of a large informal sector creates a range of challenges for various elements of social protection policy.

Since so many of the factors associated with social protection are associated with a country’s per capita income or level of development, it is no surprise that the systems differ markedly between countries at different income levels. Among major structural differences between lower- and higher-income countries are:

- the declining prevalence of agriculture and/or rural residence;
- the increasing size, role and capacity of the state;
- the shift from the extended family to the nuclear family; and
• the increasing prevalence of medium-sized and large firms and of paid employment as opposed to self-employment.

The major items in the social protection package are thus different between low-income countries—where the main challenges are famine relief; counteracting income fluctuations, chronic income poverty and disability; dealing with simple health issues; and assuring universal education at least to a basic level, all in ways as supportive as possible of the motors of pro-poor growth (usually small-scale agriculture and micro-, small- and medium-scale non-agriculture)—and high-income countries, where the main challenges are open unemployment, complicated and costly health issues, income poverty and disability, including age-related and single-parent-related poverty.

**THE KEY INTERACTIONS BETWEEN EMPLOYMENT ISSUES AND SOCIAL PROTECTION POLICY**

Social protection policy interfaces in a variety of ways with the more ‘economic’ policies in a country. Each of the elements of social policy aims to alleviate poverty or other social problems. But some have negative disincentive effects on such desirable behaviour as searching for a job, saving for retirement or engaging in entrepreneurial activity. The task for overall socio-economic policy is to find the best balance between positive support for human welfare and limiting any negative side effects. It is especially vital that social protection does not interfere with and, if possible, supports the **sectoral motors of pro-poor growth**, each of which is likely to create a good deal of employment, the focus of special attention here.

The **direct interface of social protection with mainly economic policies** has three main dimensions:

• incentive effects, where welfare or unemployment payments discourage people from searching for or keeping jobs;
• investment effects, where cash transfer systems encourage parents to keep their children in school and thus raise the human capital stock of the country and lower future inequality; and
• fiscal costs, since the programmes cost money in the form of direct fiscal outlays and related administrative costs, and there are costs to raising the tax revenues that are used in the programmes.

It is important, however, to distinguish between **direct and indirect interactions** between social protection and employment outcomes. In many countries, the more important interactions are likely to be the indirect ones that link social protection policy positively or negatively to the motors of pro-poor growth. Among the indirect effects is any discouragement of economic activity connected with the collection of the taxes that fund the social protection expenditures.
Positive links to the motors of pro-poor growth

Given the central role of small agriculture and micro, small and medium-sized enterprises (MSMEs) in pro-poor growth, it is essential that social protection policy be as supportive of them as possible. In many developing countries, the main hope for equitable growth in the short and medium term is the small-scale agricultural sector. Making the sector the engine of income growth for those engaged in it, and having positive spin-offs on related rural and non-rural economic activities, entails the same broad requirements as the economy as a whole: technological improvement to raise productivity, investment, and the full and effective use of resources. The appropriate investment will include some in public infrastructure (irrigation works, roads etc.), some in private forms of capital (e.g. machinery, buildings) and some in human capital (education and training). Such investments would normally come from the traditionally responsible agencies or groups, but rural employment guarantee programmes (such as the National Rural Employment Guarantee Act in India) may also generate infrastructure.

Making non-agricultural microenterprises more productive and profitable and advancing the performance of SMEs are the other general directions most likely to improve employment outcomes in the economy. Along the lines pioneered among others by the Grameen Bank in Bangladesh, microfinance may be provided along with various complementary services such as skills training.

The potential contribution of large firms to pro-poor growth is greatest when they are labour-intensive (e.g. most clothing exporters), pay a large sum in taxes and/or have numerous links with more labour-intensive MSMEs. But, taken as a group, large firms are not labour-intensive (Berry and Mazumdar, 1991), so, in the absence of positive linkages with the rest of the economy, they can pose a serious challenge to the achievement of pro-poor growth. One alleged reason for their failure to create more jobs is the set of labour regulations they face (see below). Subsidized unemployment insurance programmes should strive not to simply encourage more job-seeking in the modern large-scale or public sectors but rather to make the labour market function more efficiently for the employment-creating sectors that do hire a lot of workers, such as SMEs. By coincidence, many programmes directed to poor people will naturally target those working in these two pro-poor growth sectors, since they are the locale of most poor people in most countries.

Social protection policies with significant links to employment

The main forms of social protection with potentially close ties to employment are:

- guaranteed work programmes;
- other work programmes designed for crisis situations, either of the economy or of the individual/family;
- unemployment insurance, in its various versions, recently initiated in some least developed countries (LDCs);
unconditional income supports, including pensions, triggered by age or retirement;
unconditional income supports triggered by poverty and/or inability to work;
unconditional food subsidies and other subsidies, which are targeted forms of raising real income;
conditional income support—for example, to poor families whose children (of a given age range) stay in school;
support targeted to specific needs, especially health and education, which can have major impacts on the supply of labour;
the minimum wage, firing rules and other employment regulations;
stance on the role of unions;
assistance to microfinance systems; and
assistance to NGOs, local groups or others involved in strengthening small-farm agriculture.

Social protection policies can have a variety of different links to employment, some reflected in the demand for labour, and some in the level and skills available on the supply side. Table 1.2 illustrates part of the range of possibilities for selected components of social protection. Many effects, whether the direct ones that define the policy, indirect side effects or direct or indirect effects of conditionalities imposed, will vary with the details of the programme. Therefore, no general statements about links to employment can be based solely on theoretical analyses of programmes.

Table 1.2: Links between Social Protection Components and Employment, and Relations to Motors of Pro-poor Growth

<table>
<thead>
<tr>
<th>Panel A: Employment of Last Resort</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demand For Labour</td>
</tr>
<tr>
<td>Basic mechanism</td>
</tr>
<tr>
<td>Possible side effects</td>
</tr>
<tr>
<td>Possible conditionality effects</td>
</tr>
<tr>
<td>Possible links to motors of growth</td>
</tr>
<tr>
<td>Supply For Labour</td>
</tr>
<tr>
<td>Basic mechanism</td>
</tr>
<tr>
<td>Possible side effects</td>
</tr>
<tr>
<td>Possible conditionality effects</td>
</tr>
<tr>
<td>Possible links to motors of growth</td>
</tr>
</tbody>
</table>
## Panel B: Food Price Stabilization

### Demand for Labour

- **Basic mechanism:** No presumed effect.
- **Possible side effects:** Possible indirect increase in demand for labour if stabilization makes small agriculture more profitable and less risky; effects will differ according to whether the country is usually a food importer or exporter.
- **Possible conditionality effects:** None presumed.
- **Possible links to motors of growth:** See ‘possible side effects’.

### Supply for Labour

- **Basic mechanism:** No presumed effect.
- **Possible side effects:** Any effect is of unpredictable direction; if supply is reduced, this will likely be desirable (as where an increase was necessitated by poverty brought on by high food prices).
- **Possible conditionality effects:** None presumed.
- **Possible links to motors of growth:** Should raise long-term attractiveness of small-scale agriculture unless the country is a significant food importer.

## Panel C: HIV/AIDS Policy

### Demand for Labour

- **Basic mechanism:** Skilled personnel plus some others.
- **Possible side effects:** Better health will raise output and the demand for labour.
- **Possible conditionality effects:** None presumed.
- **Possible links to motors of growth:** Much of the effect on output will be in the two pro-poor growth sectors.

### Supply for Labour

- **Basic mechanism:** Raise supply by saving lives and improving health and productivity of people living with HIV/AIDS.
- **Possible side effects:** Raise supply of labour to the market by freeing up family members otherwise engaged as caregivers.
- **Possible conditionality effects:** No presumed effects.
- **Possible links to motors of growth:** Increased supply and productivity of workers will mainly impact output in the two key sectors.

## Issues/distinctions in the design of social protection policy

Consideration of the benefits and costs of any given form of social protection requires that distinctions be made by context (since all relationships vary at least to some extent by setting) and also by the set of people (target group) likely to need social protection. Target groups are
defined by age, with special attention to children and older people, and by ability/inability to
work and earn a living, where the main subcategories are people with disabilities or those that
are physically ill, and single parents who must care for their children. Some forms of social
protection are by definition targeted at special groups; others are not, but their logic and potential
payoff varies by group. The social protection requirements needed to prevent social crises are
affected greatly by cultural norms, since in traditional societies all of these groups would, to a
greater or lesser degree, be taken care of by relatives, friends, community etc., but these modes
of protection tend to erode as societies become more industrialized.

To summarize, a taxonomy of social protection policies and issues needs to distinguish:

- the type of support (work guarantee, health etc.) and the likely extent of the benefits;
- to whom provided—for example, specific groups (pensions to older people, income
  support to single parents) as opposed to universal;
- by whom provided, i.e. the state or the employer (if the individual handles his/her own
  arrangements in full, there is no social protection as such);
- the design of the social protection provision system—for example, unemployment
  insurance generously provided for long periods vs. small payments provided for short
  periods and under stringent conditions. At the interface between social protection and
  alternative types of support, there is often an argument for keeping social protection
  less than generous so as not to act as a disincentive to other forms of help which may
  be cheaper and/or more efficient; and
- the possible positive and negative side effects, related among other things to the alterna-
  tive ways of confronting the poverty or emergency.

Although the specific instruments involved in social protection are numerous, almost all
of them fall under a few categories of broad objectives, which may be usefully classified as:

- increased income/purchasing power *per se* (e.g. social assistance in the form of income
  payments);
- increased employment leading to increased income, as with guaranteed employment
  programmes and many other instruments that affect employment;
- increased income and/or employment security;
- improved health;
- increased health security; and
- improved education.

Many instruments falling under a given category naturally tend to have somewhat the same
side effects, positive and negative. For example, social assistance in the form of income pay-
ments often has the potential to discourage the search for work: at one end of the spectrum of
beneficiaries are those who cannot work; at the other end are those who are able to work but
prefer not to. Unemployment insurance may also discourage the search for work or encourage
temporary types of work (with the connivance of the employers when generous terms allow it), as well as costing money. On the plus side, any instrument that increases income may discourage illicit activities and/or have positive multiplier effects. Instruments that foster employment are expected to provide an output of some value and hence to be less costly, net, than unconditional income payments. They may provide worker training and avoid the scarring effects of unemployment \(^{17}\) (that curtail the learning of both skills and pro-work attitudes that go with employment), but they may be hard to organize effectively.

Although the health and educational components of social protection are thought of as raising welfare directly, the positive economic effects of the resulting greater level of labour productivity can be seen as side effects.

Other examples of the range of policy considerations for specific components of the social protection package (the minimum wage, non-contributory pensions for low-income retired workers, guaranteed work programmes and unemployment insurance) are given in Table 1.3.

### Table 1.3: Key Considerations around Selected Social Protection Policies

<table>
<thead>
<tr>
<th>Panel A: The Minimum Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Main objective</strong></td>
</tr>
<tr>
<td><strong>Possible positive side effects</strong></td>
</tr>
<tr>
<td><strong>Possible negative side effects</strong></td>
</tr>
<tr>
<td><strong>Ambiguity(^a) about net effects</strong></td>
</tr>
<tr>
<td><strong>Degree of debate(^b) about effects</strong></td>
</tr>
<tr>
<td><strong>Sensitivity of net effects to design and implementation</strong></td>
</tr>
<tr>
<td><strong>Direct costs</strong></td>
</tr>
<tr>
<td><strong>Main substitute programmes/policies/conditions</strong></td>
</tr>
<tr>
<td><strong>Main complementary programmes/policies</strong></td>
</tr>
</tbody>
</table>

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\(^a\) ‘Ambiguity’ refers to the true difficulty in assessing impacts.

\(^b\) ‘Degree of debate’ reflects some combination of true ambiguity and the presence in the debate of vested interests and other groups who do not rely strongly on professional judgements of the effects in question.
### Panel B: Non-Contributory Pensions for Low-Income Retired Workers

<table>
<thead>
<tr>
<th>Main objective</th>
<th>Raise incomes of lower-income elderly families.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Possible positive side effects</td>
<td>May generate positive multiplier effects in the local economy if such people are numerous and there are underutilized resources that can produce items the elderly people will buy.</td>
</tr>
<tr>
<td>Possible negative side effects</td>
<td>It is unlikely that the programme would discourage work activity or savings on the part of the first set of beneficiaries, but such effects may arise among working adults who now predict that the state will provide such pensions when they reach retirement. For very low-income people with great difficulty in saving, this effect is unlikely to be significant. For somewhat better-off people, it might be; this is an empirical question that must be studied.</td>
</tr>
<tr>
<td>Ambiguity about net effects</td>
<td>Low, since the benefits of modest pensions to low-income people are presumed to be very high per dollar.</td>
</tr>
<tr>
<td>Degree of debate about effects</td>
<td>Low, as per the above.</td>
</tr>
<tr>
<td>Sensitivity of net effects to design and implementation</td>
<td>Moderate with respect to the first group of beneficiaries, unless design and implementation are quite bad — e.g. the funds do not reach those for whom they are intended. Higher with respect to later groups, due to lack of study to date.</td>
</tr>
<tr>
<td>Direct costs</td>
<td>Varies with the age group and income range covered, but can be substantial — e.g. around 1 percent of GDP, as in Brazil.</td>
</tr>
</tbody>
</table>

### Panel C: Guaranteed Work Programmes (Employment of Last Resort)

<table>
<thead>
<tr>
<th>Main objective</th>
<th>Assure that workers achieve a minimum level of labour income when employment is especially difficult to obtain; produce useful output, such as infrastructure.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Possible positive side effects</td>
<td>Can help to provide a wage floor in the relevant labour market.</td>
</tr>
<tr>
<td>Possible negative side effects</td>
<td>May discourage search for jobs elsewhere.</td>
</tr>
<tr>
<td>Ambiguity about net effects</td>
<td>Moderately high. The value in providing an income floor is relatively well accepted unless implementation is weak. Value of resulting product appears to vary rather widely.</td>
</tr>
<tr>
<td>Degree of debate about effects</td>
<td>Modest.</td>
</tr>
<tr>
<td>Sensitivity of net effects to design and implementation</td>
<td>Moderately high, as per the above.</td>
</tr>
<tr>
<td>Direct costs</td>
<td>Low, just the cost of monitoring.</td>
</tr>
<tr>
<td>Main substitute programmes/policies/conditions</td>
<td>Income supplements; unemployment insurance.</td>
</tr>
<tr>
<td>Main complementary programmes/policies</td>
<td>Well-designed investment programmes to which these programmes can be appended.</td>
</tr>
</tbody>
</table>
Panel D: Unemployment Insurance

<table>
<thead>
<tr>
<th>Main objective</th>
<th>Assure that wages achieve a reasonable minimum level and thereby raise incomes of lower-income families.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Possible positive side effects</td>
<td>May raise wages in the informal sector as well as the formal sector to which it is applied.</td>
</tr>
<tr>
<td>Possible negative side effects</td>
<td>Discourage hiring in the modern formal sector; increase poverty and labour inequality.</td>
</tr>
<tr>
<td>Degree of debate about effects</td>
<td>High.</td>
</tr>
<tr>
<td>Ambiguity about net effects</td>
<td>High.</td>
</tr>
<tr>
<td>Sensitivity of net effects to design and implementation</td>
<td>High. Where the minimum wage is low, it is highly likely that its impact on workers will be on balance positive, but of modest proportions. When it is very high, it is possible that the net impact can be strongly negative, but this depends on elasticities of the demand for labour. When it is intermediate, the effect is also hard to predict.</td>
</tr>
<tr>
<td>Direct costs</td>
<td>Low, just the cost of monitoring.</td>
</tr>
<tr>
<td>Main substitute programmes/policies/conditions</td>
<td>Strong overall demand for lower-skill, lower-wage labour; guaranteed employment programme; strong growth of the SME sector etc.</td>
</tr>
<tr>
<td>Main complementary programmes/policies</td>
<td></td>
</tr>
</tbody>
</table>

The shift towards two-tier social protection systems

A number of developing countries have introduced non-contributory social protection systems or partial systems in the last decade or so. These are essential because of the poverty levels of those outside the previous social protection systems based on the formal sector. Because the informal sector houses a high share of the poverty in most countries, such non-contributory systems cannot be linked to formal-sector employment, so alternative delivery mechanisms must be found, which makes the social protection system more complicated.

In pursuit of an effective social protection system special attention should be directed to those groups in the grey area between the definitely formal and the definitely informal components of the labour market and the corresponding segments of the social protection system. These people may wind up in the formal sector or the informal one depending on a variety of factors. Within this group there is an important distinction between those who are voluntarily informal and those who are involuntarily so.

In the absence of any universal social protection, the two modes of provision are through employment-linked social security and through private initiative. The benefits of such a system are that:
A conceptual framework

- those covered receive social protection; the social importance of the benefits depends on where they are in the economic hierarchy of the country and their potential for self-protection;
- the system achieves a degree of self-financing, thereby partially relieving the state of the responsibility;
- it may raise aggregate savings through forced savings of workers and perhaps of firms; and
- administration may be more efficient than if the full responsibility lay with the state.

The problems with this system in a low-income country are that:

- many poor people are left out, since they cannot purchase private insurance or keep themselves out of poverty;
- many systems do not allow for portability of one’s social protection privileges across different jobs and/or require a minimum number of years of contribution for access to some benefits. In countries with large informal sectors, many workers move in and out of the formal sector with some frequency and become disqualified for benefits (Perry et al., 2007: 196). Such systems introduce horizontal inequity among workers as well as inefficiency, by discouraging possibly desirable mobility;
- in some cases all working family members must contribute even though other family members would be covered by one’s own package. The contribution of the second worker becomes a pure tax. Benefits need to be more tightly linked to contributions;
- the system may be inefficient in other ways, such as where administrative costs are high, the wrong services are provided etc.;
- the upward pressure on wage costs may discourage employment creation in the formal sector and worsen overall income inequality; and
- it may discourage formalization, which may bring growth benefits, an increase in decent employment etc. This effect can come through the disincentive to firms hiring because of the high labour costs and rigidities and/or through opting out by persons dissatisfied with the social protection package available.

These various potential benefits, costs and risks are likely to vary widely by setting and by group of workers, so their analysis requires knowledge of behaviour patterns of the relevant groups, and how different social protection systems can affect each one.

The health component of social protection systems is especially important, since health is an area where protection is extremely valuable to people. How it is handled in the various systems can, therefore, play an important role in the overall efficiency of the combined system, in whether workers are excessively drawn to one or another sector by differences in the health protection available. Health exemplifies the complexities that can arise in the two-tier systems now becoming more common.
In this area there is a strong case for public involvement, since health crises are so cataclysmic for many people, and because of the ineffectiveness of private markets, especially for those who might be just barely able to pay. Given the negative externalities of sickness, there is a clear risk management rationale to take the choice of cover out of the hands of employers and workers. But public health services have often not conformed to sound insurance principles and have often not delivered on their promise of quality services (ibid.: 200). Where outreach has been widened, this has led to low quality and doubtful fiscal sustainability. In recent years governments have opted for more sustainable, minimum-benefit types of packages. Any additional coverage beyond minimum should be on a contributory basis. In this area constitutional rights to health have contributed to defective systems, at least in the short term.

**The implications of high levels of informality for interactions between employment and social protection**

Formality is not a simple concept, one of the reasons for the lack of a clear general answer as to whether it is something that should be encouraged by policy. Two main aspects of formality, as usually understood, are compliance with tax regulations and with labour market regulations. The societal desirability of a firm’s compliance with labour regulations depends on the quality of the regulatory apparatus and on the type of firm.

Two related but different debates have arisen around the links between social protection and informality. First, to what degree does the presence of informality on a large scale make social protection policy more difficult and more costly? Second, when non-contributory social protection instruments are developed to deal with the problems of poor people independently of their attachment to formal-sector firms, does this further encourage informality, as Levy (2008) contends, and if so, does it come at the expense of economic efficiency and growth?

It is widely accepted that a large informal sector can hamper the effective implementation of social protection (e.g. Pagés, 2009); administration of many programmes is easier in a more formalized system, with good records on many relevant types of information, developed interactions between firms and the state, and so on. But the practical policy question is whether the difficulties in the social protection area that result from informality constitute a significant argument to contemplate pushing formalization as a policy, and if so, whether such a push could meet with enough success to make it worthwhile.

There are several potential strands to the argument for a pro-formalization policy. One is that since informal firms do not pay taxes, their informality constricts the ability of the state to spend, whether on social protection or on anything else. Yet the taxes paid by a small, previously informal and now formalized firm are unlikely to be very high. The argument is much more persuasive when it includes the view that formalization of currently informal firms would open the way to advances in productivity and incomes, and thereby both promote economic growth and raise government revenues. But this view also remains open to considerable debate (Berry, 2010).
Probably the most persuasive component of the contention that the informal sector is a problem for social protection policy is that important parts of social protection are better administered by the employer than by the state. This is arguably the case with respect to larger firms, but the small and often unstable formal firms (to which formalization of small and unstable informal firms will most likely give rise) are hardly ideal for managing social protection services. The prevalence of informal firms itself implies a looseness in the labour market which is likely in any case to detract seriously from the general implementation of some standard components of the worker protection package, including rules on firing, hours of work etc. While it would certainly be simpler to be able to deal with some of these problems as they are dealt with in industrialized countries, there is little realistic chance of doing so in an economy dominated by the informal sector.

What of the argument that the new forms of non-contributory social protection encourage informality? The possible disincentive to look for work/incentive to remain unemployed in developed countries, where unemployment insurance is the norm, has a sort of developing-country counterpart in the possible disincentive facing small informal firms to switch to formality or, conversely, the incentive for formal firms to become informal. Where combined costs to firm and workers of opting for formality (with its tax and labour regulations) exceed the private benefits, but that formality could have brought social benefits, private decisions will diverge from the social optimum. Thus, the discussion about desirability of formality includes the extent to which social protection benefits not attached to formal employment are seen as possibly constituting a disincentive to formalization of firms.

Regardless of the pros and cons of a push towards formalization, the implications of informality and the growth of non-contributory and non-employment-related social protection provision add new twists to the already complex links between employment issues and social protection. Poverty makes non-contributory protection more important. Informality makes employment-linked social protection unfeasible for much of the population. The increasing fragmentation of social protection systems may create an additional disincentive to formalization.

**IMPACT OF THE CURRENT WORLD RECESSION**

Even though the current crisis started in the industrialized world, developing countries have been affected through different channels, most notably by a fall in exports, a worsening of the terms of trade, a drop in financial flows and the decline in remittances from migrant workers abroad. These negative consequences have led to rising unemployment and underemployment and an overall reduction in income from labour activities. Recent signs that the world crisis may be technically coming to an end do not necessarily mean a recovery of employment any time soon. It is well known that job creation tends to lag behind output recovery, with lags often extending several years.
The medium-term post-crisis years are also a source of concern. There are clear indications that the conditions that supported rapid growth in developing countries during the pre-crisis years will not be there any longer, or not to the extent they were before. One area of rising concern is that the space that developing countries had to increase exports to developed countries, and thus leverage growth, may be significantly smaller in the coming years. The post-crisis years face a world economy likely to grow more slowly and to be less tolerant of large currency imbalances and thus unable to absorb rapidly growing volumes of imports.

Partly because of this, and in the absence of better policies, dynamic employment creation may follow only with a significant lag, even if considerable economic growth resumes. The need to innovate and reorganize production and service delivery to reduce costs might well mean a weaker demand for labour. Less rapid growth and lower employment intensity of growth would make inclusive growth and progress in human development more difficult.

**SOME GENERAL PRINCIPLES**

Although the optimal social protection package naturally varies by country, there are a number of general guidelines of value in the successful design of overall social protection policy and strategy. These include:

1. Other things being equal, the main components of a social protection system should aim to **connect with and benefit poor people first and the less poor later**. Sometimes the most effective way to do this is to have a universal programme; sometimes this is best achieved by targeting. Sometimes this group is best reached by indirect effects of one or another component of social protection. In the overall design, not all components have to reach the poorest people (or perhaps not reach them immediately), but this objective must be a high priority, since there are almost always political and administrative obstacles to achieving it.

2. As much as possible, **social protection programmes should be linked positively to the motors of pro-poor growth**. For example, rural employment guarantee programmes may generate infrastructure (irrigation works, roads etc.) of value to the small farmers of the region. Such linking will sometimes occur almost automatically, and sometimes it will require thoughtful innovation. Sometimes it will benefit from careful coordination with existing programmes, and sometimes it will be new, and the choice of the best institutional home for it will require some consideration.

3. Like good overall economy policy, good poverty reduction policy, of which social protection is an important component, should be as **internally coherent as possible**—i.e. its various components add up to more than the sum of the parts and do not work against each other but, rather, constitute a mutually supporting system. Thus, if the optimal type of development in a given rural/agricultural area involves raising agricultural productivity and facilitating the growth of non-agricultural activities by the same
families, the optimal social protection policy package is likely to include investments to raise agricultural productivity (including infrastructure, better crop varieties etc.) with labour-intensive techniques used whenever possible; microcredit to help small non-agricultural enterprises to grow; and some forms of training to raise entrepreneurial capacities. The more these programmes can be linked to each other through consistent timing and consistent messages, the better. Typically such links are weak or incipient, since different agencies are responsible for different components, and the potential advantages of integration are either not fully recognized or are institutionally hard to carry out.

4. Careful thought should be given to the best way to implement any given programme, including which institutions should be involved, whether it should be self-targeting and/or conditional, and which complementary services may be provided along with the core ones. Such care is essential because all programmes have costs and side effects (both positive and negative) which must be considered in the overall picture of cost-effectiveness. Good programmes require great attention to detail; with worrisome frequency, failure to pay attention to the detail detracts greatly from overall effectiveness and can even imply that a programme’s net effects are negative. Good design usually draws not only on the record of experience in the country but also on that of similar programmes in other countries; it also takes advantage of monitoring to assure that easily detectable problems are dealt with quickly, and periodic ex-post evaluations give a more in-depth picture of how well it is working. Making such checks workable requires advance thought to assure that the relevant information is collected as the programme proceeds. It is important to collect data on administrative costs as a ratio of funds transferred and on leakages or other misdirection of funds.

5. A special complication arises in those countries where substantial elements of social protection occur through the employer, but this system excludes the great majority of the population (if the informal sector is large) and may also have a variety of negative effects on employment generation. The situation calls for a shift in public provision to provide social protection to the poorest groups. This, however, leaves the country with a markedly dual system, which raises a number of complications, both in general and in terms of the interface with labour market outcomes. Since any attempts to deal with those complications are recent, it is important for both the countries involved and others to learn as much as possible as quickly as possible from them.
ANNEX 1.1: DEFINITION OF SOME SOCIAL PROTECTION TERMS

A. Social protection

Social protection is defined as the set of policies and programmes designed to reduce poverty and vulnerability by promoting efficient labour markets, diminishing people’s exposure to risks and enhancing their capacity to protect themselves against hazards and interruption/loss of income. The policies and procedures included in social protection involve five major kinds of activities: labour market policies and programmes, social insurance programmes, social assistance, micro and area-based schemes, and child protection.

‘Social safety net’ and ‘social security’ are sometimes used as alternative terms to ‘social protection’. The Asian Development Bank Interdepartmental Working Group on Social Protection found that in describing the range of concerns covered by this strategy the term ‘social protection’ was the more common in international usage and decided to use that term. ‘Social safety net’ appears to have a less precise meaning. Some people use it to mean the whole set of programmes and policies discussed in this strategy, while others use it to refer only to welfare and targeted programmes for poor people. On the other hand, ‘social security’ is used to refer to the comprehensive mechanisms and coverage in developed countries and is less applicable to new areas such as community, micro and area-based schemes.

B. Labour market

Labour market policies and programmes are designed to facilitate labour adjustments and promote the efficient operation of labour markets. ‘Labour market’ is a term used in labour economics to indicate the exchange between the demand and supply of labour for a nation, region, industry or occupation. The outcomes of this process include the level of (un)employment, pay and employment conditions.

Labour codes are regulatory frameworks containing provisions on labour relations as well as standards for working conditions including, for example, provisions on working hours, minimum age, minimum wage, occupational safety and health, social security and provisions regarding the special needs of women.

Active labour market programmes are interventions to encourage people to take positive action to improve their employment prospects. They include vocational training and retraining, employment services, job search assistance and job fairs.
Labour exchanges and employment services are designed to help match employers’ job vacancies with workers looking for jobs. They may be operated by the state, particular employers or groups of employers, non-governmental organizations (NGOs) or the private sector.

C. Social insurance

Social insurance programmes cushion the risks associated with unemployment, disability, work injury and old age. These programmes are usually tied to replace a specified percentage of a worker’s previous earnings, with the percentage a function of work years, level of pay and often social criteria such as family size and credit for certain non-work periods (e.g. child care and registered unemployment) or below-average earnings. These programmes may be contributory or non-contributory. The former are financed, at least in large part, through earnings-related contributions from employers and/or employees, whereas the latter are financed from the general budget. Eligibility for benefits under contributory programmes is usually limited to those who have made a minimum number of contributions.

Demogrant is a non-contributory benefit paid to individuals solely on the basis of meeting specified demographic criteria (e.g. age, residence or disability); normally demogrant benefits are financed on a pay-as-you-go basis.

Unemployment insurance is a programme designed to replace a percentage of prior earnings in covered employment for those who have lost their jobs. Benefits are usually limited to those who were previously employed and tend to last for only a specific period of time. Unemployment insurance is tied to job search requirements and registration with labour exchanges but is not means-tested. Unemployment insurance is usually designed to deal with frictional and structural unemployment. In its latter aspect, it is a tool of macroeconomic policy as well as a means of social protection in that it allows consumption levels to be maintained in the face of temporary declines in employment and output.

Severance pay programmes mandate that employers provide workers who are terminating their employment with a sum of money related to past periods of employment and pay. They usually are a liability of the employer for which separate provision has to be made (see ‘funding’, below).

Work injury or workmen compensation programmes are designed to compensate workers for work-related injuries or diseases. Employers pay premiums to finance costs, with the premiums often related to an employer’s claims experience. In some countries, these programmes, though mandated by law, are run through private insurers.

Disability or invalidity insurance (pension) is usually linked with old-age and survivors’ insurance. Such programmes cover both non-work and work-related injuries or diseases that render a person incapable of working in full or in part. Some countries have programmes only for permanent and total disability. Others have programmes that compensate workers for disabilities that limit the hours or type of work they can perform. Although tied to initial and
ongoing reviews of work capacity, disability insurance programmes are not means-tested. Most countries provide disability insurance through public programmes, usually financed on a pay-as-you-go basis, but some countries have moved to requiring the purchase of disability cover through private insurance companies.

**Survivors’ insurance** (pension) is usually linked with old-age and disability insurance. Two types of protection are involved: (i) death of the insured before retirement, and (ii) death of a pensioner in retirement. In the case of ‘young survivors’ insurance, the primary focus is on surviving children and the surviving caregiver parent, although other dependent family members may be covered. In the case of post-retirement death, the focus is on the survivor of an aged spouse-pensioner. Most countries provide survivors’ protection through public programmes, usually financed on a pay-as-you-go basis, but some countries have moved to requiring the purchase of term insurance for young survivors through private insurance companies.

**Old-age insurance** or pensions are usually linked with disability and survivors’ pensions, but the options for old-age provision are larger.

- **Pensions**, strictly construed, are periodic payments after retirement for the life of the pensioner (and usually surviving aged spouse). Many countries’ old-age schemes, however, only allow for lump sum withdrawals upon retirement (e.g. provident funds—see below), leaving it to individuals to allocate the sum over their retirement years.

- **Defined benefit schemes** are ones in which a worker’s promised pension or lump sum is a function of a formula tied to years worked, earnings and social criteria and in which some entity—state, employer, insurance company—bears the financial risk of the promise or entitlement embedded in the formula. **Defined contribution schemes** are ones in which a worker receives an accumulation based on contributions and investment returns and bears the financial risk. Many hybrid schemes exist that contain both defined contribution and defined benefit elements.

- Many countries finance their mandatory old-age (and related disability and survivors’) pensions through a state scheme on a **pay-as-you-go basis**—i.e. current revenues, mostly from a specific contribution (payroll tax), are used to cover current benefits. (Such schemes, however, will often have some assets to cover periods of cyclical unemployment or negative wage growth). Some countries finance their mandatory monopoly state pension schemes through a combination of pay-as-you-go financing and funding (see below). These so-called **partially funded schemes** have large asset reserves designed to hold down future contribution levels.

- Many countries finance old-age pension provision on a **fully funded basis**. This might be done through a state monopoly scheme, which is usually called a **provident fund**. Another means is a legal mandate imposed on employers, workers or both to accumulate assets in a special or general purpose financial intermediary (e.g. as in Latin America and Europe) equal to promised benefits or targeted account levels. Such mandated pensions are usually defined contribution pensions.
• Many countries also have voluntary occupational pension schemes that are tax-advantaged such that accumulations receive a tax-free return, and lifetime compensation is more lightly taxed. These tax advantages are sometimes extended to voluntary individual retirement savings.

• Countries often support mandatory and, in some instances, even voluntary funded pensions with explicit guarantees, thus introducing a defined benefit element to what might otherwise be a defined contribution system. These guarantees create contingent liabilities for governments.

• Some countries require coverage through both a universal state scheme (entirely pay-as-you-go or partially funded) and a fully funded scheme that operates as a mandate on employers or workers.

The term ‘funding’ has several meanings. The strictest meaning is that the entity that is responsible for the promised pension or the retirement accumulation must hold title to a diversified portfolio of marketable assets equal to the promised pension or the recorded accumulation. However, the term is also used to cover many provident schemes where the accumulation is backed solely or primarily by government bonds that are not generally marketable. Similarly, the term is used by some to cover cases where an employer is making a pension promise backed solely or primarily by its future earnings (‘book reserve’).

Universal programmes are not contribution-related and are financed from the general budget. In a few countries, such benefits—typically a children’s allowance or a citizens’ old-age pension—are a function only of age and citizenship (or residence), though they may be taxable.

D. Social assistance and welfare service

Social assistance and welfare service programmes protect those with no other means of adequate support. A few countries use means-tested programmes to cover a very large proportion of the population against the contingencies of old age, disability, death or unemployment. Most countries, however, use a combination of social insurance programmes and means-tested social assistance, with the latter reserved for filling the gaps. Social assistance includes government and non-government institutions that provide residential care and in-home services to particular groups such as orphans and frail elderly people. Four main targeting methods are available:

• Group targeting provides benefits to a specific population group (e.g. mothers, children or communities in a particular geographical area); this is the easiest targeting method, but leakages to the non-poor are normally large.

• Means testing: means-tested targeted programmes provide benefits to households below a certain income level; means testing is more accurate in targeting poverty but has larger transaction costs than group targeting.
• **Proxy means testing** is a subset of means testing, in which targeting is done through other (easy-to-collect) indicators or proxies to correlate the level of income/poverty of beneficiaries; on a temporary basis, it is possible simply to give discretion to local public officials or to a local NGO.

• **Self-selection** avoids moral hazards by imposing disincentives to participants in programmes, either because the benefits are too low or because there is some social stigma associated with them (e.g. food-for-work programmes and public works because normally only those truly in need accept them). However, given that benefits are normally below market wages, these programmes are not effective in bringing people out of poverty.

Most social assistance programmes are **means-tested**. Formal means testing involves conditioning benefits as a function of a person’s or household’s other income and assets. Some means tests exclude some income and particularly some assets such as the beneficiary’s house and a minimum amount of agricultural land. Where formal means tests are not practical, informal approaches to targeting benefits, or **proxy means testing**, can be used. These involve using proxies such as household size and composition (e.g. single parent), geographic area, age and disability as an alternative measure of the need for assistance.

### E. Micro and area-based schemes

**Social funds** are financed by national governments to operate in local communities, sometimes through NGOs, to provide temporary employment in public works and services. Projects selected tend to be those that will improve the local social infrastructure, such as schools, hospitals and roads. The projects are usually designed to create new facilities and provide employment opportunities to unemployed and underemployed local residents.

**Agricultural insurance** is a financial mechanism that aims to reduce the uncertainty of loss by pooling together large numbers of uncertainties so that the burden of loss can be distributed. Agricultural insurance extends the concept of insurance to the different types of agricultural undertakings. Crop insurance is a mechanism through which farmers are protected from losses due to natural causes, including flood, fire, drought, disease, pestilence, wind, hail etc. Crop insurance can cover a variety of agricultural pursuits, including grain cultivation, livestock, beekeeping and prawn cultivation. Crop insurance tends to be financed by a levy equal to a modest percentage (usually less than 5 percent) of the value of the crop being insured. Insurance payments may compensate most (e.g. 80 percent) to virtually all of the loss. Agricultural insurance has so far had very limited success, but it is an area of possible intervention if adequately accompanied by reinsurance mechanisms.

**Reinsurance for agricultural insurance** allows carriers of agricultural insurance business access to the underwriting capacity and capital of the world market. However, such reinsurance facility can be provided only to technically viable agricultural insurance programmes. It is also important for international reinsurers to have trust and confidence in the objectivity of loss estimations, absence of adverse selection/moral hazards, and independence of the programme.
from political interference. A reinsurance facility may be proportional or non-proportional. A proportional or quota share facility is one wherein the reinsurer takes a share in the premium collected (e.g. 40 percent) and assumes the same percentage of a loss. In a non-proportional facility (an example is an excess of loss cover), the reinsurer quotes a fee (sometimes unrelated to the premium charged by the insurer to its policy holders) against which it will pay a loss when it exceeds a set percentage of the sum insured up to a higher designated percentage of the sum insured. Reinsurance is an effective risk-transfer mechanism for covariant catastrophic risks to spread the burden of loss globally. It can be a major source of much-needed foreign exchange that can provide a stabilizing effect when a country is reeling from a huge loss.

**Microinsurance** refers to voluntary and contributory schemes for the community, handling small-scale cash flows, by way of both income and expenditure, to address community risks. Such schemes are often of a local character and have a very small membership. The primary aim of many of these schemes is to help their members meet the unpredictable burden of out-of-pocket expenses, such as a hospital emergency, death or funeral expenses. Microinsurance offers the possibility to provide social insurance at affordable prices, expand coverage by having a realistic understanding of the problems that communities face, and promote community involvement.

**F. Moral hazard and adverse selection problems**

**Moral hazard** refers to the presence of incentives for individuals to act in ways that incur costs that they do not have to bear.

**Adverse selection** may occur when the act of providing support against certain risk can increase the likelihood that the undesired risk occurs.

**Table 1.A1: Asian Development Bank’s Components and Subcomponents of Social Protection**

<table>
<thead>
<tr>
<th>Labor Market Programmes</th>
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<tbody>
<tr>
<td>Direct employment generation (microenterprise development and public works)</td>
</tr>
<tr>
<td>Labor exchanges and other employment services</td>
</tr>
<tr>
<td>Skills development and training</td>
</tr>
<tr>
<td>Labor legislation (including minimum age, wage levels, health, safety, etc.)</td>
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<table>
<thead>
<tr>
<th>Social Insurance Programmes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Programmes to cover the risks associated with unemployment, sickness, maternity,</td>
</tr>
<tr>
<td>disability, industrial injury, and old age</td>
</tr>
</tbody>
</table>

### Social Assistance and Welfare Programmes

- Welfare and social services targeted at the sick, the indigent, orphans, and other vulnerable groups
- Cash-in-kind transfers (e.g., food stamps)
- Temporary subsidies for utilities and staple foods

### Micro and Area-Based Schemes

- Microinsurance schemes
- Agricultural insurance
- Social funds (usually involving the construction, operation, and maintenance of small-scale physical and social infrastructure)
- Disaster preparedness and management

### Child Protection

- Early child development activities—e.g., basic nutrition, preventative health, and educational programmes
- Educational assistance (e.g., school-feeding, scholarships, fee waivers)
- Health assistance (e.g., reduced fees for vulnerable groups)
- Street children initiatives
- Child rights and advocacy/awareness programmes against child abuse, child labor, etc.
- Youth programmes to reduce health risks (especially HIV/AIDS and drugs) and anti-social behaviour
- Family allowances (e.g., in-kind cash transfers to assist families with young children to meet part of basic needs)

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### NOTES


2. There have been debates regarding the definition of pro-poor growth. The definition presented here is in line with the thinking emanating from UNDP’s International Policy Centre for Inclusive Growth (IPC-IG, formerly known as International Poverty Centre) as articulated by Kakwani, Khandker and Son (2004). For some details on the debate see, for example Zepeda (2004).

3. It is important to note that the economic concept of ‘productivity’, related to economic efficiency, does not refer to labour productivity (output per worker or per labour hour) but to the ratio of the value of output to the amount of all inputs used, labour, land, capital etc.

4. Regardless of the precise definition of poverty used, it is important to make a distinction according to severity, since poverty is, after all, a matter of degree, and also between chronic and temporary poverty. Since most figures define poverty in terms of household income (e.g. household income per capita), reflecting the fact that families largely consume together, the information base is far weaker
on intra-household inequality, and this leaves a major challenge of thinking about and measuring the
differences in poverty between males and females (in the same families), between adults and children
etc. These are matters greatly affected by cultural patterns, among other things.

5 Lustig (2010) discusses the challenges of the present world recession from the perspective of protect-
ing poor people in Latin America.

6 A good review of how insurance issues can be dealt with is provided by Perry et al. (2007: 182–183).

7 ‘Social insurance’ is a term usually used to refer to joint provision by the individual and the state.

8 The term ‘redistributive social protection’ might be used for such policy.

9 A good example of this was the evolution of the BRI banking system in Indonesia, leading to an enor-
mous increase in financial savings by families of low or modest means (Papanek, 2004).

10 Lists vary with the author. The Asian Development Bank distinguishes five major kinds of activities:
labour market policies and programmes, social insurance programmes, social assistance, micro and
area-based schemes, and child protection. (A fuller breakdown of these categories is shown in Appen-
dix B, Table 1.)

11 This result is assured if the equilibrium market wage would be below the mandated minimum wage.

12 Instead of making the contributions at each point in time during the worker’s career as an employee,
the firm could simply have paid the money to the worker. In cases where the worker would then have
consumed those additional wages, then the impact of the firm’s withholding them and in effect distri-
buting them later is that the worker is *de facto* saving, with those ‘forced savings’ being managed
by his/her employer.

13 Externalities are positive or negative effects from the behaviour of one economic agent (e.g. a con-
sumer or a firm) on other agents, which are not accompanied by any payment in the other direction.
Thus pollution by a firm is a negative externality if the firm does not have to recompense the victims.

14 A Conditional Cash Transfer programme in Mexico started in the late 1990s.

15 Such fees had been introduced by many countries in the 1980s and 1990s in an effort to bring in more
funds to accompany the sometimes dwindling public resources available for health. But dramatic
decreases in service use ensued, particularly among vulnerable groups, while the frequency of cata-
strophic expenditure increased (WHO, 2008: 26).

16 However, their receipt of welfare may discourage work by family members, so in fact the end of the
spectrum is the situation in which neither the beneficiary nor his/her family members are able to work.

17 Such scarring effects have been statistically identified mainly in industrial countries, but there seems
no reason to doubt their presence in developing countries as well.

18 Maloney (2004), among others, states that the movement in both directions between formal and infor-
mal employment is much greater than some authors have believed.

19 The traditional systems were designed under the implicit assumption that workers would stay in the
formal sector for their whole careers. In fact there is much movement in and out; in Mexico such move-
ment has been shown to be greatest among low- and high-wage workers (Perry et al., 2007: 195). At
present workers must accrue 25 years in the Mexican system to receive a minimum pension guarantee,
but, given their non-continuous employment in the formal sector, it would take the average low-wage
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worker 50 years to qualify, making it unattainable. Uruguay has a similar pattern, which is again a much bigger problem for low-income workers. Buchelli et al. (2006) estimate that about 50 percent of 60-year-olds with highest-quintile earnings will achieve the 35 years of service needed to receive a minimum pension, but almost no one from the lowest quintile will.

20 This is a major reason why some people do not contribute to health insurance in Colombia. Many females joining the labour force opt to stay out in Argentina for the same reason (Perry et al., 2007: 195).

21 Although by no means a case of no net benefits, Peru’s Integrated Health System (SIS) shows the effects of inadequate pre-planning for the rapid growth of effective demand for its services. For a general discussion of such problems, see Grosh et al (2008).
REFERENCES


Berry, A., To Formalize or Not to Formalize: Trying to Ask the Right Questions, Manuscript, 2010.


