I. Introduction

Between 2011 and 2013 the International Labour Organization (ILO), in collaboration with governments and several United Nations (UN) agencies working as part of the Social Protection Floor Initiative, conducted Social Protection assessment based national dialogue (ABND) exercises in Cambodia, Indonesia, Thailand and Viet Nam. The exercises were undertaken to take stock of existing social protection realities in order to understand what elements of national Social Protection Floors (SPFs) were in place, where ‘holes’ in national floors exist, and to propose recommendations for the further design and implementation of social protection provisions that would guarantee at least the SPF to the entire population.

This paper provides an overview of the ABND exercises and draws out the child-specific findings from each country study and the resulting recommendations for achieving income security for children, to provide a situational analysis of the SPF as it relates to children in the four countries. The paper also sets out the results of preliminary calculations of the cost of implementing proposed policy options, and draws upon the common SPF ‘gaps’ identified and recommendations made across the four country studies to discuss the utility of the SPF framework for achieving income security for children and their families in the ASEAN region.

While socio-political and economic contexts vary between and within Cambodia, Indonesia, Thailand and Viet Nam, ILO experts observed key parallels in the challenges to – and opportunities for – securing basic income for children. These findings not only have relevance for social protection and child-sensitive development agendas globally, but also illustrate how the SPF framework is a useful tool for policy-making, programme planning and analysis of poverty that incorporates the needs of vulnerable groups, including children.

By presenting the policy gaps and recommendations related to securing basic income security for children within the context of broader assessments of national SPFs, the paper highlights

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1 The authors wish to acknowledge the authors of the SPF assessment reports upon which this paper is based, namely Michael Cichon, Florence Bonnet, Carlos Galian, Gintare Mazeikaite, Jean-Claude Hennicot, Wolfgang Scholz, Sinta Satriana, Dr Thaworn Sakunphanit, Orawan Prasitsiriphol, and the many others who contributed to the compilation and production of each respective report.
the symbiotic links between various aspects of social protection and the need for holistic programmatic and policy approaches sensitised to vulnerable groups. The costing scenarios presented as part of the assessment exercises additionally illustrate that completing the SPF for children is not financially prohibitive for governments and can be introduced gradually, as the necessary fiscal space becomes available. Furthermore, the ABND recommendations illustrate that much can be achieved through improved management of existing programmes in order to increase their reach and accessibility to beneficiaries. By drawing together data and analysis from the four ABND studies, the paper provides a foundation for comparison with and further discussion of global efforts to define and create national SPFs and, in doing so, ensure income security for children.

II. What is the SPF and what is its relevance to child poverty?

What are Social Protection Floors (SPFs)?

Social protection floors (SPFs) are nationally defined sets of rights and benefits that enable and empower all members of a society to access a minimum of goods and services at all times. By calling for both demand (transfers) and supply (services) side measures, the SPF adopts a holistic approach to social protection. The SPF calls for access to these minimum goods and services for all age groups, but with particular attention to marginalized and vulnerable groups (such as ethnic minorities and people with disabilities). Once an SPF has been established, countries may then choose to progressively extend higher levels of social protection to their populations.

The SPF comprises four basic guarantees:

1. All residents have access to a nationally defined set of essential health care services, including maternity care, that meet the criteria of availability, accessibility, acceptability, and quality;
2. All children enjoy basic income security at least at the level of the nationally defined poverty line, ensuring access to nutrition, education, care, and any other necessary goods and services;
3. All those in active age groups who are unable to earn sufficient income, in particular in case of sickness, unemployment, maternity, and disability, enjoy basic income security at least at the level of the nationally defined poverty line;
4. All residents in old age enjoy basic income security at least at the level of the nationally defined poverty line.
Defining the components of SPFs as ‘guarantees’ that are defined at the national level establishes a flexibility that makes achievement of the floor compatible with all possible national social protection systems. The four guarantees set minimum performance or outcome standards with respect to the access, scope and level of income security and health care, rather than prescribing a specific architecture of social protection programmes and benefits. While not all countries will be able to immediately put in place all components for the whole population, the SPF provides a framework for planning progressive implementation of social protection provisions that emphasises the linkages and symbiotic relationships between the different SPF guarantees.

The SPF also serves as a tool for the empowerment of vulnerable groups, including women and children, the disabled, the elderly, ethnic minorities, and people living with HIV. This is particularly relevant for children, who are often uniquely affected by the compounding risks and vulnerabilities associated with poverty. UNICEF argues, for example, that young children are – perhaps more than any other group – vulnerable to the risks posed by contaminated water, poor sanitation and inadequate hygiene. The income security of households, often negatively impacted by external social and economic shocks, also has particular consequences for children’s ability to access education, adequate nutrition, and shelter. Children are also especially vulnerable to risks stemming from the prevalence of HIV and AIDS, such as mother-to-child transmission, being orphaned (death of the breadwinner) or being subject to caring duties that may take them out of school.

**SPFs and the international context**

The utility of the SPF approach in combating poverty has been increasingly recognized at the international level since the global financial crisis of 2007-2008. In April 2009, the High Level Committee on Programmes of the UN Chief Executives Board adopted the One-UN Social Protection Floor Initiative (SPF-I) as one of several joint initiatives to combat and


accelerate recovery from the global economic crisis. The ILO and the WHO assumed the role of lead agencies of the SPF-I\(^4\). The importance of defining and building national SPFs has also been highlighted by the Group of 20 Finance Ministers and Central Bank Governors (G-20)\(^5\), and incorporated as a central pillar of the post-2015 UN development agenda for inclusive development\(^6\).

Building on this foundation, the International Labour Conference (ILC) adopted Recommendation 202 concerning National Floors of Social Protection (Social Protection Floors Recommendation) at its 101st session in 2012. Recommendation 202 reaffirms the role of social security as a human right and social and economic necessity, and provides guidance to Members in building SPFs within progressively comprehensive social security systems\(^7\).

**SPFs in South East Asia**

While the Asia-Pacific region has made considerable economic progress in the last two decades and has lifted millions out of poverty, not all have benefitted from these gains. Millions of people are still poor, deprived of basic rights, and vulnerable to increased risks stemming from global economic crises and climate change. The threat that human

\(^4\) The Initiative supports countries to plan and implement sustainable social protection schemes and essential social services. A global coalition was built to work on SPF-I, comprising UN agencies, the IMF and World Bank, development partners and leading NGOs. For further information on the SPF coalition and advisory group, see ‘About the Social Protection Floor’ (undated), Social Protection Floor Gateway website http://www.socialprotectionfloor-gateway.org/4.htm [accessed 22 July 2013] and ‘The Social Protection Floor’ 2013, Global Extension of Social Security (GESS) website http://www.socialsecurityextension.org/gimi/gess/ShowTheme.do?tid=1321 [accessed 22 July 2013]

\(^5\) The final communiqué of the G20 meeting in November 2011 acknowledged ‘the importance of social protection floors in each of our countries, adapted to national situations’. G20, 2011, G20 Heads of State Meeting in Cannes, 3-4 November 2011: Final Communiqué, para 6, available at: http://www.g20.org/documents/ [accessed 22 July 2013]


development gains made in the past decade may fail to ‘stick’ and begin to reverse, has helped to place social protection high on the policy agenda in the region. At their 67th session in May 2011, member States of the UN Economic and Social Commission for Asia and the Pacific (ESCAP) passed a resolution on ‘Strengthening social protection systems in Asia and the Pacific’\(^8\). At the 15th Asia and the Pacific Regional Meeting held in Kyoto, Japan 4-7 December 2011, governments, employers, and workers from the Asia and Pacific Region determined that ‘building effective social protection floors, in line with national circumstances’ was one of the key national policy priorities for the Asia and the Pacific Decent Work Decade\(^9\).

**The SPF, poverty & child poverty**

In parallel with growing global recognition of the value of the SPF framework for achieving sustainable poverty reduction, calls for social protection that is *child-sensitive* have increased; that is, social protection interventions that specifically address the patterns of children’s poverty and vulnerability and that recognize the long-term developmental benefits of investing in children\(^10\). UNICEF’s strategic framework for social protection, for example, stresses that ‘social protection systems need to be responsive to the multiple and compounding vulnerabilities faced by children and their families’ and adopt an ‘intergenerational approach that recognizes the critical role of care-takers, and the importance of addressing their broader vulnerabilities’\(^11\).

The commonsense nature of sensitising social protection interventions to the needs of children is beyond the scope of this paper – but in short relates to the disproportionate effect crises and instability often have on those who are already vulnerable (particularly women and children); and the longer-term economic and development benefits of investing in social

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protection for children to create a healthy and productive future workforce, and to reduce intergenerational transmission of poverty\textsuperscript{12}.

The SPF framework is relevant to arguments for child-sensitive social protection for several reasons: it adopts an intergenerational approach that highlights the interrelated dimensions of poverty; it acknowledges the importance of achieving income security for children as part of broader poverty-reduction goals; it additionally promotes broader social programmes that do not focus directly on children but allow families to reduce the financial burden of raising their children, as well as social insurance instruments (e.g. pensions) that may have positive flow-on effects for children; it encourages programmes to be defined within national contexts in response to countries’ varying experiences of vulnerability and deprivation; it acknowledges that access to and delivery of services (supply side issues) are just as important as programmatic and policy change in social protection interventions; and it mainstems attention to vulnerable groups and groups with compounding vulnerabilities – such as HIV-positive pregnant women\textsuperscript{13}.

The following section provides a brief overview of SPF assessment exercises undertaken by the ILO and its government and development partners in Cambodia, Indonesia, Thailand and Viet Nam and draws out the findings and policy recommendations related to achieving income security for children. These recommendations form part of consolidated packages proposed to close SPFs in each country, to ensure the best and most sustainable results for beneficiaries.

III. Assessing Social Protection Floors in Cambodia, Indonesia, Thailand and Viet Nam

In recognition of the need to take stock of existing social protection realities in order to understand what elements of national SPFs are in place and where ‘holes’ in floors exist, the


ILO collaborated with governments, social partners, civil society, academics and several UN agencies in the ASEAN region in 2010-2012 to conduct several social protection assessment exercises. A Social Protection and Performance Review (SPER) was undertaken in Cambodia\(^{14}\), supplemented by an ILO-EU financial assessment of the Cambodian government’s National Social Protection Strategy for the Poor and Vulnerable (NSPS)\(^{15}\). In Indonesia\(^{16}\) and Thailand\(^{17}\), a similar exercise was conducted in the framework of a Social Protection Assessment Based National Dialogue (ABND), and in Viet Nam, the ILO undertook an analysis of the government’s National Social Protection Strategy (2011-2020)\(^{18}\) in the context of SPF objectives.

The studies utilised similar methodology, with the common objective of assessing whether the SPF is a reality in the respective countries. Policy gaps and implementation issues were identified and recommendations made for further design and implementation of social protection provisions that would guarantee a SPF for the entire population. The studies also sought to estimate the projected financial commitment needed in each respective country to implement proposed policies for closing the SPF. As part of the social protection assessments, in each country the ILO Rapid Assessment Protocol (RAP) costing tool\(^{19}\) was also used to estimate the cost and affordability of implementing social protection recommendations.

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\(^{19}\) The RAP uses a simple methodology that builds on single age population projections, single age estimates of labour force participation rates; along with a relatively crude economic scenario determined by assumptions about overall GDP growth, productivity, inflation, wages, interest and poverty rates. The model uses these variables as drivers of expenditure and revenues starting from initial statistical values given for the last observation years. To access a presentation providing a outlining a step-by-step methodology for conducting a rapid assessment, see: ‘Tools and Data’ (undated), Social Protection Gateway website, available at: [http://www.socialprotectionfloor-gateway.org/24.htm](http://www.socialprotectionfloor-gateway.org/24.htm) [accessed 23 July 2013]
Cambodia

The Cambodian population has experienced significant social, political and economic upheaval over the past three decades. This has involved transitioning from war to peace; from one party rule to multi-party politics; and from an isolated and planned economy to a free market model. Over the last decade Cambodia has sustained high economic growth, averaging eight per cent annual growth in GDP 2002-2010. This has resulted in better living standards and a declining poverty rate, falling from an estimated 34.7 per cent in 2004 to 15.1 in 2010\(^\text{20}\).

However recent food and fuel price shocks, the global financial crisis and adverse weather conditions have slowed the economy and progress towards achieving the Millennium Development Goals (MDGs), and raised questions about the resilience and inclusiveness of Cambodia’s growth model. Income disparities are high and increasing between urban and rural areas. In spite of significant reduction in the incidence of poverty, one in six Cambodians continue to live below the poverty line, and poverty remains concentrated in rural areas where approximately 80 per cent of the population lives. Rural poverty is further exacerbated by widespread landlessness, a legacy of the land distribution policies of the 1980s.\(^\text{21}\). Furthermore, a significant proportion of the population remains ‘nearly poor’, and are thus particularly vulnerable to social and economic shocks that can push them into poverty. UNICEF reports that 1.7 million children under 18 are reported to be living in poverty and 64 per cent of children experience two or more forms of deprivation from food, nutrition, health, water, sanitation, shelter, education, or information.\(^\text{22}\).

The right to social security and other social protection provisions is enshrined in the Cambodian constitution. Article 36 states that “Every Khmer citizen shall have the right to obtain social security and other social benefits as determined by law”. Article 72 stipulates, “The health of the people shall be guaranteed (…) poor citizens shall receive free medical consultation in public hospitals, infirmaries and maternities”.\(^\text{23}\) The principles of social protection have also been included in a number of key policy documents in post-conflict


\(^{21}\) The Gini had declined to 0.36 by 2009, however (most recent available data). ‘GINI Index’ (undated), World Bank website, available at: [http://data.worldbank.org/indicator/SI.POV.GINI](http://data.worldbank.org/indicator/SI.POV.GINI)


\(^{23}\) Relevant sections of the Constitution confirm the right of every Khmer citizen to social security (Article 36) and commit to establishing a social security system for workers and employees (Article 75). It also contains other social protection commitments such as to women (Article 46), children and mothers (Article 73), the disabled and war veterans (Article 74).
Cambodia. They have been reaffirmed most recently through the adoption of the *Social Security Law* in September 2002, the *Master Plan for the Development of Social Health Insurance* in 2003, the *Rectangular Strategy for Growth, Employment, Equity and Efficiency* in 2004, and the *National Strategic Development Plan (NSDP) Update 2009–2013*.

The Cambodian government has recognized, however, that the impact of existing social protection interventions is limited by lack of coordination between the various ministries and non-government organizations (NGOs) that implement them, each of which have their own social protection mandates and policy frameworks. For the most part, social assistance programmes have been ad hoc, geographically limited, under-funded and heavily reliant on non-sustainable donor funding for their continuation. As such, overall coverage of social protection has remained low, with efforts further hampered both by poor coordination among implementing actors and weak overall implementation capacity. Furthermore, existing social security schemes primarily cover only civil servants and private sector employees, leaving the majority of the population uncovered. At present only a minority of the population benefits from very basic, fragmented and often-inadequate social protection coverage.

To address the policy and implementation gaps identified, the Government embarked upon a mapping exercise between 2009 and 2010 to assess the nature and extent of existing social protection measures and to identify policy, institutional and capacity gaps. A *National Social Protection Strategy for the Poor and Vulnerable (NSPS-PV) 2010–2011* was compiled on the basis of the results of the mapping exercise. The main rationale of the NSPS-PV is to accelerate progress towards meeting the education, health and livelihood development outcomes enshrined in the Cambodia Millennium Development Goals.

The NSPS-PV focuses on social protection for the poor and vulnerable in the medium term. It also establishes a framework for sustainable and comprehensive social protection for all Cambodians in the long term, including contributory (for those with higher incomes) and non-

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26 The poor and vulnerable are defined as those living below the national poverty line, and those who cannot cope with shocks and/or have a high level of exposure to shocks, as well as children, girls and women of reproductive age, ethnic minorities, the elderly, people living with chronic illnesses, people living with HIV, and people living with a disability.
contributory social security schemes. The NSPS-PV has five key objectives\(^{27}\), two of which (bolded) refer specifically to children:

- **The poor and vulnerable receive support to meet their basic needs, including food, sanitation, water and shelter, in times of emergency and crisis;**

- **Poor and vulnerable children and mothers benefit from social safety nets to reduce poverty and food insecurity and enhance the development of human capital by improving nutrition and maternal and child health, promoting education and eliminating child labour, especially its worst forms;**

- **The working-age poor and vulnerable benefit from work opportunities to secure income, food and livelihoods while contributing to the creation of sustainable physical and social infrastructure;**

- **The poor and vulnerable have effective access to affordable, quality health care and financial protection in case of illness;**

- **Special vulnerable groups, including orphans, the elderly, single women with children, people living with HIV and patients with tuberculosis and other chronic illnesses, receive income, in-kind and psycho-social support and adequate social care.**

The ILO collaborated with the government of Cambodia to further elaborate national social protection provisions, framework and policy options on the basis of the NSPS-PV. In 2010-2011 the ILO, with funding support from the EU, carried out a Social Protection Expenditure and Performance Review (SPER). SPER is a diagnostic tool developed by the ILO to establish a comprehensive overview of a country’s social protection system\(^{28}\).

The SPER exercise included a review of social health protection programmes, social assistance programmes funded by government budget, and donor-funded social protection programs – in addition to reviews of national social security funds for civil servants and veterans and vocational training programmes. A number of existing programmes were


\(^{28}\) It comprises an assessment of the country’s demographic, economic and labour market context, and of the main social protection schemes in terms of coverage, expenditure and benefit levels. SPERs seek to assess system financing, identify coverage gaps, and to discuss policy options for consideration by national policy-makers. For further information about the SPER tool and methodology, see ILO 2012, *Social Protection Expenditure and Performance Reviews (SPERs)*, 12 August, ILO website, available at: [http://www.ilo.org/secsoe/areas-of-work/statistical-knowledge-base/WCMS_206081/lang--en/index.htm](http://www.ilo.org/secsoe/areas-of-work/statistical-knowledge-base/WCMS_206081/lang--en/index.htm) [accessed 19 July 2013]
identified that provide assistance to and protection for children, including: a child allowance for civil servants under the National Social Security Fund for Civil Servants (NSSFCS); maternity benefits for veterans; a nursing cash allowance for members of the National Social Security Fund for private sector employees (NSSF); maternity benefits under the planned social health insurance (SHI) scheme; health vouchers for reproductive services; provisions for orphaned, disabled, ‘delinquent’ and drug addicted children; programmes to prevent child labour; a scholarship programme for poor students, and a school feeding programme\textsuperscript{29}.

Overall, the SPER found that national social protection expenditure consisted mostly of outlays for subsidized health services and social security benefits for civil servants, war veterans and their families. Other social protection measures, including social welfare and cash transfers to the poor and vulnerable, were minor in scope and primarily funded via official development assistance (ODA).

Recommendations stemming from the SPER exercise include improved quality of health care; implementation of social health insurance for formal-sector workers; expanded coverage of existing pension programmes; the introduction of cash transfers for pregnant women and mothers with young children; cash transfers for poor children; and introduction of a universal child benefit\textsuperscript{30}.

To supplement the SPER, the ILO additionally carried out a Financial Assessment of Cambodia’s NSPS-PV in 2011, in close collaboration with Council for Agricultural and Rural Development (CARD). The Assessment was conducted with the aim of supporting the national planning process through preliminary costing of alternative policy options for the five key objectives of the NSPS-PV. The cost estimates for the objective related to mothers and children (Objective No. 2) are set out below in Section IV and provide an indication of the affordability of implementing policies to secure income security and a SPF for children in Cambodia.

\textsuperscript{29} For more detailed information on these programs, refer to the SPER report: Hennicot, J-C and Scholz, W. 2012, op. cit., pp. 61-97.

\textsuperscript{30} For more detail on the SPER recommendations, refer to the report: Ibid., pp. 101-103.
Indonesia

Prior to 1997, Indonesia was considered a high performing Asian economy\textsuperscript{31}, with an average GDP growth rate of 7.4 per cent per year; at this time social protection was not a government priority\textsuperscript{32}. The impact of the 1997 Asian financial crisis revealed the vulnerability of the Indonesian economy and population to external shocks. Unemployment, dramatic declines in real wages and other economic challenges pushed 25 per cent of the non-poor population into poverty. In response, the government launched its first nationwide social safety net programme in 1998, providing subsidized staple foods, basic education, basic health services, employment opportunities through public works projects, and revolving credit funds\textsuperscript{33}.

Indonesia recovered strongly from the 1997 crisis, with steady economic growth and a reduced poverty rate. Growth, however, has not been equitable; inequality as measured by the GINI coefficient increased from 0.31 in 1996 to 0.38 in 2011\textsuperscript{34}. UNICEF reports that broader economic growth and poverty reduction conceals geographical and socio-economic disparities that particularly affect children\textsuperscript{35}. While extreme poverty – defined as Purchasing Power Parity (PPP) of USD 1 per day or less – is relatively low in Indonesia, close to half (43.3 per cent) of the population is living on the brink of poverty, on USD 2 or less per day\textsuperscript{36}. In this context, the importance of a SPF becomes particularly critical.

Development challenges affecting children and youths also include high risk of preventable deaths during pregnancy and childbirth, an estimated 2.7 million involved in some form of child labour, and lack of employment or further education for youths aged 15-24\textsuperscript{37}.

In the last decade major milestones towards the development of a national SPF in Indonesia have included the amendment of the 1945 Constitution to include the extension of social security to the entire population, and the enactment of Law No. 40/2004 regarding the

\textsuperscript{33} Satriana, S. and Schmitt, V. 2012, op. cit., p. 3
\textsuperscript{34} ‘GINI Index’ (undated), op. cit.

The existing social protection system in Indonesia primarily consists of social security schemes for public servants and private sector workers and a tax-financed social assistance system (public welfare) as part of a broader set of antipoverty programmes and government subsidies\(^40\). Existing schemes tend to be fragmented and scattered under different ministries and leave the majority of informal sector workers\(^41\) uncovered.

In response to the range of scattered and uncoordinated schemes and as-yet unimplemented legislative developments on social security, the ILO conducted an ABND exercise\(^42\) in Indonesia between May 2011 and November 2012\(^43\). The exercise involved three main steps: (i) development of an assessment matrix listing and describing existing social security schemes, identifying policy gaps and implementation issues, and providing policy recommendations; (ii) costing of various recommended ‘scenarios’ using the ILO Rapid Assessment Protocol (RAP) tool; and (iii) finalization and endorsement of the assessment, involving sharing results of the costing exercise and discussing next steps with relevant stakeholders.

The assessment matrix stage of the exercise identified a number of social protection programs targeting children in Indonesia including: grants to schools to fund education for poor

\(^38\) The law is designed to create a social security system covering all Indonesian workers and their dependents in both the formal and informal economies and mandates the extension of coverage to all residents in the areas of health, work injury, old age, and death of the breadwinner.

\(^39\) The law seeks to operationalize *Law No. 40/2004* and mandates the transformation of four existing social security providers\(^39\) into two providers: BPJS Kesehatan (BPJS I - Health) and BPJS Ketenagakerjaan (BPJS II - Employment). Universal health insurance under BPJS I is scheduled to take effect in early 2014, while other schemes under BPJS II are anticipated to be rolled out from mid-2015.

\(^40\) Social welfare programmes provide access to education, health care, food security, social infrastructure, and employment opportunities. The government also provides universal subsidies for fuel and electricity and targeted subsidies such as rice for the poor and fertilizer, seeds, microcredit, soybeans and cooking oil for particular groups.

\(^41\) Informal workers are defined as own account workers, employees of non-registered businesses such as family businesses, unpaid family workers, and domestic workers.

\(^42\) The ABND methodology incorporates a range of approaches and tools: literature review of studies, reports, laws, regulations and statistical reports; technical consultations (face-to-face and through workshops) on existing schemes and their implementation; national dialogue on policy development priorities; capacity development through policy consultations and training workshops; establishment of a technical working group within the UN system; and establishment of a validation mechanism for the exercise at each stage of the assessment, particularly during the finalisation stage to ensure government endorsement of the report. For further information on ABND methodology, see: ILO 2013. *Assessment Based National Dialogue, Global Extension of Social Security* (GESS) website [http://www.ilo.org/gimi/gess/ShowTheme.do?tid=3825] [Accessed 19 July 2013].

\(^43\) The ABND exercise involved a series of individual and public consultations at provincial and national level; workshops to complete the assessment matrix in Ambon, Maluku; Kupang, Nusa Tenggara Timur; and Surabaya, East Java. Additionally, consultations with relevant government ministries and departments, social security schemes, anti-poverty programmes, and representatives from workers’ and employers’ organizations, were carried out.
students; provincial education programmes; a conditional cash transfer for children and pregnant mothers; a child labour reduction programme; conditional cash transfers for children with social problems; staple food programmes; a school feeding programme; and universal basic vaccinations for children under five ⁴⁴.

On the basis of the schemes and coverage identified by the ABND exercise, a number of general policy gaps and implementation issues were highlighted that were relevant to all components of the SPF, namely: almost no protection for non-poor workers in the informal sector; high evasion in the formal sector; data limitations and targeting issues; coordination issues and overlap among programmes. In relation to income security for children, the main policy and implementation gaps identified included:

- Issues of limited coverage, both in terms of the number of recipients and geographical area;
- Need for data improvement and clear beneficiary targeting mechanisms;
- Need for better coordination between programmes to avoid overlaps and increase economies of scale; and
- Issues in programme management and disbursement of benefits (such as late disbursement of funds) ⁴⁵.

On the basis of the matrix of social protection programs and the implementation and coverage gaps identified, a number of policy recommendations were formulated to complete the SPF in Indonesia. Recommendations for ensuring income security for children include:

- Expand the conditional cash transfer programme (PKH) ⁴⁶ to more areas and more recipient households (at least to all very poor households);
- Supply side improvements, such as increasing availability and quality of health and education facilities;

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⁴⁴ For a full list of existing social protection programmes and policies in Indonesia, see the ABND report: Satriana, S. and Schmitt, V., 2012, op. cit., pp. 18-35.
⁴⁵ For more detailed explanation of the policy gaps and implementation issues, see Ibid., pp. 35-41.
⁴⁶ Program Kuuarga Harapan (PKH) primarily aims at improving maternal and neonatal health and children’s education among poor households. Priority is given to areas with high concentrations of very poor households, but where health care and education facilities are available. Beneficiaries are households with children below 15 years of age (or children aged 15-18 who have not yet completed grade 9) and/or pregnant or lactating women. Households receive IDR 600,000-2,200,000 (around USD 60-220) per year depending on family structure and compliance. Conditions include: children are enrolled in school and attend at least 85 % of school days; and pregnant and lactating mothers and infants 0-6 years regularly visit health facilities for check ups.
• Merge the scholarship program with other relevant programmes;
• Explore and calculate the cost of a universal child benefit programme; and
• Improve targeting and management efficiency of Raskin programme (rice subsidies for the poor).

Other recommendations have direct bearing on social protection for children, such as:

• Extend coverage of social security schemes to informal economy workers – this would ensure income security of informal economy worker parents and thus of their children;
• Explore the possible introduction of maternity benefits for women in the informal economy;
• Improved database and targeting mechanisms;
• Design and pilot testing of a Single Window Service (SWS) for social protection programmes – this would address barriers of access to services, particularly among the informal sector;
• Universal health insurance to cover the treatment of some diseases currently excluded, including programmes to prevent mother-to-child transmission of serious diseases such as HIV and Syphilis.

The ABND exercise used the policy recommendations to propose a number of possible ‘scenarios’ for closing gaps in Indonesia’s SPF. The cost of implementing the scenarios was then calculated using the RAP costing tool. The results of the RAP calculations in relation to closing the SPF gap for children are set out below in Section IV.

**Thailand**

Thailand has experienced strong economic growth in recent years – on average 4.6 per cent GDP growth between 1999 and 2010 – and has succeeded in reducing the percentage of the population living below the poverty line from 25 per cent in 1994 to 7.8 per cent in 2010. However the benefits of growth have not been distributed equitably; Thailand’s GINI coefficient was 0.39 in 2010.

Child poverty in Thailand ranks the lowest of all the country case studies in this paper; a 2011 UNICEF study found that 16 per cent of children in Thailand experience ‘severe deprivation’ (compared with 90.1 per cent of children in Cambodia) and 2 per cent ‘multiple severe

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47 Schmitt, V., Sakunphanit, Dr. T. and Prasitsiriphol, O. 2013, op. cit.
deprivation’ (63.5 per cent in Cambodia). The same study found, however, that ‘less severe deprivation’ affected 50 per cent of Thai children. Primary challenges were access to water (affecting 30 per cent), shelter (affecting 24 per cent) and food (affecting 19 per cent). Child poverty also disproportionately affects ethnic minorities.

The right to social security for all is reflected in the Thai Constitution and a range of national legislation. In 2012 the Royal Thai Government (RTG) entered into a four-year partnership with the UN system within the UN Partnership Framework (UNPAF). The partnership seeks to enhance Thailand’s capacity to provide universal basic social protection and higher levels of social security benefits through contributory schemes, within a financially and institutionally sustainable framework.

In practice, the development of social protection in Thailand has been fragmented, focusing largely on civil servants and their dependents and workers from the formal sector. Recently, however, two major universal schemes have been introduced – the Universal Coverage Scheme (UCS) in 2001 and the Non-Contributory Allowance for Older People (known as the Universal 500 Baht scheme) in 2008. One of the major social protection challenges in Thailand is coverage for the informal economy workers who account for just over 60 per cent of the economically active population.

The ABND exercise in Thailand was carried out between June 2011 and October 2012 by the UN/RTG joint team on social protection, co-chaired by the ILO and the Ministry of Social

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49 Ibid., p. 20.

50 Notably sections 44 (right to income security during employment and retirement); 49 (right to 12 years of education); 51 (right to public health care services); 52 (right to survival and development for children); 53 (right to income security for the elderly over 60 years of age with insufficient income); 54 (right to income security and appropriate services for people with disabilities); and 55 (right to income security for the homeless).

51 Including the *Social Security Act, B.E. 2533 (1990)*, the *National Health Security Act, B.E. 2545 (2002)*, the *Quality of Life Promotion Act for Persons with Disabilities Act, B. E. 2550 (2007)*, the *Old Age Act, B.E. 2546 (2003)*, the *National Education Act, B.E. 2542 (1999)*, and the *Strategic Plan on Social Welfare for Thai Society*. The right to social security for all is also in line with Thailand’s Eleventh National Economic and Social Development Plan.

52 The UCS was introduced to provide universal health care coverage to those who remained uncovered by existing public health protection schemes.

53 The Universal 500 Baht scheme was established to provide income security to the elderly over 60 years of age who do not receive any other public pension.

54 62.4% in 2010: ILO/HISRO-RAP protocol (based on Labour Force Survey data, 2010). A voluntary, partly subsidized package provided under Section 40 of the Social Security Act has been extended to informal economy workers recently; however as of December 2011 only around 2.5 per cent of all informal economy workers had joined the scheme. The *National Savings Fund Act, B.E. 2554 (2011)* also provides a framework for a new old-age savings mechanism targeted at informal economy workers under which worker contributions would be matched by the Government; however implementation has been delayed.
Development and Human Security (MSDHS). The team engaged line ministries, UN agencies, social partners, civil society organizations, academia and other relevant stakeholders to assess the social protection situation in Thailand, identify policy gaps and implementation issues, and draw policy recommendations for the achievement of a comprehensive SPF in Thailand.

The ABND exercise, like that carried out in Indonesia, involved development of an assessment matrix to list and describe existing social security schemes, identify policy gaps and implementation issues, and provide policy recommendations; costing of selected recommendations using the RAP tool; and finalization and endorsement of the assessment.

The exercise identified three social protection schemes targeting children embedded in Thai legislation: the child support grant under the Social Security Act, B.E. 2533 (1990)\(^{55}\); the right to 15 years of free education guaranteed under the Thai Constitution, B.E. 2550 (2007)\(^{56}\), including 9 years of compulsory education between the ages of 6 and 15; and the right to education grants for children of civil servants under the Royal Decree on fringe benefits related to children’s education, B.E. 2523 (1980)\(^{57}\).

A number of social protection programmes targeting children with unclear legal basis were identified, including funds set up to provide scholarships, loans, or assistance in kind (e.g. school meals\(^{58}\), food distribution)\(^{59}\).

On the basis of the schemes and coverage identified by the ABND exercise, the following policy gaps and implementation issues were highlighted in relation to the SPF guarantee of income security for children:

- Unclear legal basis for many of the social protection programmes related to children;

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\(^{55}\) Available to insured persons. The grant covers a maximum of two legitimate children until the age of 6 and is intended to cover living expenses, tuition fees, medical and other expenses. The child support grant covered 23.1 per cent of children aged 0-6 years in 2011 (projected data, Health Insurance Systems Research Office).

\(^{56}\) Initially the 2007 Constitution guaranteed the right to 12 years of free education; this was extended to 15 years in 2009 under the Act of Additional Budget Expenditure, B.E. 2552 (2009).


\(^{58}\) Free school meals are provided approximately 60 per cent of schools nationwide, funded by the Ministry of Education.

\(^{59}\) These ad hoc programmes include: grants for widows and children affected by conflict in the south of Thailand; grants for street children; child support grant for children of workers employed in state-owned enterprises; education grants for children of teachers in private schools; loans for students with low socio-economic backgrounds (Kor-Yor-Sor programme); scholarships for students whose parents are dedicated to social activities; scholarships for disadvantaged children, financed by the national lottery; distribution of bicycles to students living in remote areas; distribution of tablet PCs for primary school children (grade 1); and grants for children living with HIV or within families affected by HIV and AIDS, including orphans. See: Schmitt, V., Sakunphanit, Dr. T. and Prasitsiriphol, O. 2013, op. cit, pp. 30-33.
• Many programmes do not target and/or cover those most in need;
• Educational outcomes; education is free but quality is an issue, particularly in remote and rural areas;
• Lack of information about existing programmes; and
• Lack of effective monitoring & evaluation.

The primary recommendation for ensuring income security for children stemming from the ABND exercise in Thailand was the introduction of a universal child support grant for children, with the twin aim of reducing child poverty and decreasing the risk of child labour.

Other recommendations were proposed in relation to increasing the availability and quality of services targeting children, such as introduction of an early childhood development service, including day care centres for pre-school children, and improving the quality of education.

Among the recommendations for achieving income security for the working age population, the establishment of a maternity allowance was proposed to provide income security for female informal sector workers immediately after delivery. Such an allowance would ensure that new mothers could maintain suitable standards of health and living conditions for themselves and their child. Other recommendations for increasing the income security of the working age population and the elderly through the provision of additional or expanded social security packages would also have direct and/or indirect consequences for the wellbeing of children.

To elaborate on the findings and recommendations of the ABND matrix, the RAP costing tool was used to calculate the cost of implementing some of the proposed policy options. The results of the RAP calculations are set out below in Section IV.

**Viet Nam**

Viet Nam shares many characteristics with the three other country case studies included in this paper. It has experienced significant economic growth in the past two decades; the poverty rate has declined (from over 66 percent to less than 15 per cent in the last 20 years).

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60 For a full list of the recommendations, see the report: Schmitt, V., Sakunphanit, Dr. T. and Prasitsiriphol, O. 2013, op. cit., pp. 25-51.
61 A new poverty line was estimated for 2010 by the General Statistical Office and World Bank. Based on the new poverty line (equal to VND 653,000/person/month or $2.25/person/day, PPP 2005) and updated monitoring system, the national poverty rate in 2010 was 20.7 percent. The official poverty rate according to Viet Nam’s Ministry of Labour, Invalids and Social Affairs (MOLISA), was 14.2 percent in 2010 using official MOLISA urban and rural poverty lines of VND 500,000/person/month and VND 400,000/person/month, respectively. See:, ‘Poverty Reduction in Vietnam: Remarkable Progress, Emerging Challenges’ 2013, World Bank Website, 24.
the benefits of growth have been distributed unevenly (the most recent GINI coefficient measure was 0.36\textsuperscript{62}); and poverty and vulnerability to external and internal economic and social shocks remain key challenges.

Between 2000 and 2007, Viet Nam was the second fastest growing economy among East Asian countries, behind to China. However annual average GDP growth rates of 7.6 per cent slowed 2008-2009 with the global economic downturn\textsuperscript{63}. The Government continues to face the simultaneous challenges of monetary and fiscal contraction, high inflation, persistent rural poverty (especially concentrated among ethnic minority groups), high levels of internal migration, increasing vulnerability to international economic shocks due to integration into the global economy, and natural disasters triggered by climate change\textsuperscript{64}. Like Cambodia, Indonesia and Thailand, Viet Nam also has, a rural-urban divide in poverty levels and access to essential services and educational and training opportunities. High levels of informality in the labour market is an additional challenge to social protection interventions.

Viet Nam currently has a fairly extensive set of social protection programmes in place, such as a social insurance scheme that is mandatory for all workers and covers 18 per cent of the labour force; a health insurance system which is being extended to informal economy workers and the poor and vulnerable through a range of strategies; scattered social assistance programmes; and National Targeted Programmes (NTPs) that focus on specific vulnerable groups, areas and sectors\textsuperscript{65}. Furthermore, the Ministry of Labour, Invalids and Social Affairs (MOLISA) has formulated a Social Protection Strategy (SPS) for the period 2011-2020 to further plan and develop the national social protection system\textsuperscript{66}.

In January 2011 the ILO embarked upon an ABND exercise to support the implementation of the social protection strategy in Viet Nam using the SPF approach and tools. As with the Thai and Indonesian ABND exercises, an assessment matrix was compiled to analyse the extent to which existing and planned social protection provisions match the benchmarks set by the four


\textsuperscript{62} “Cambodia Data” (undated), op. cit.

\textsuperscript{63} Though some recovery was evident from 2010.

\textsuperscript{64} Cichon, M.; Bonnet, F.; Schmitt, V.; Galian, C.; Mazeikaite, G. 2012, op. cit., p. 2 and World Bank, 2010, *Viet Nam: Strengthening the social safety net to address new poverty and vulnerability challenges*, Policy Note, Human Development Sector Unit, East Asia and Pacific Region.

\textsuperscript{65} These include health care fee exemptions, preferential credit policies, exemptions from education fees, vocational training programmes, and migration programmes to reallocate labour resources.

\textsuperscript{66} The SPS includes a plan to achieve universal health care coverage by 2014; to provide universal access to basic social services such as education, health care, housing, drinking water, electricity, information, sanitation and legal advice; and to provide a minimum income to those in need. At the time of writing however, the SPS had not yet been approved by the Prime Minister.
guarantees of the SPF and to support the identification of policy priorities to complete the floor.

The assessment matrix identified a number of benefit schemes delivering either in-cash or in-kind benefits, often not exclusively targeting children but rather broader ‘vulnerable groups’ such as orphans or the poor. Some of the benefits available to children under these programmes include:

- Free essential services such as water or electricity (limited to ethnic minorities);
- School fee exemptions and reductions for poor students. Over 10 per cent of children attending school benefit from such schemes;
- Loans for students living in poor households;
- Support for ethnic minority children for the purchase of food, textbooks and notebooks;
- Scholarships for poor university students equal to 80 per cent of the basic minimum wage; and
- State coverage of 100 per cent of health insurance premiums for all children under six years of age.

The assessment matrix identified three key deficiencies in existing social protection programmes targeting children: (i) low coverage due to narrow eligibility criteria; (ii) inadequate benefit levels that fail to ensure subsistence living standards (and thus sustainable poverty reduction); and (iii) some overlap among beneficiaries, policies and poverty reduction programme resources. Additionally, a number of implementation gaps were highlighted:

- Implementation of poverty reduction policies is incomplete, with benefits often not reaching the intended recipients – particularly the children of migrant workers;
- Lack of awareness/information about the policies and/or programmes among potential beneficiaries;
- There is no unified registry of beneficiaries for social assistance;

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67 These include: regular social assistance schemes (received by all age groups, not just children). The number of beneficiaries increased from 416,000 to one million in 2008; children represent just over 5 per cent of total beneficiaries; targeted social assistance reached 61,000 orphaned children in 2006; National Targeted Programme for Poverty Reduction (NTP-PR) which aims to promote access to economic assets and services for the poor; Programmes, such as the P134 programme, targeted at poor and disadvantaged ethnic minority households working in agriculture and forestry and providing beneficiaries with land, housing and clean water; and geographically targeted anti-poverty programmes, such as the P135 programme, that seek to address the structural causes of poverty in remote regions.
• Monitoring and evaluation responsibilities are divided between different levels of MOLISA and Department of Labour, Invalids and Social Affairs (DOLISA) branches, with no standardised procedure at the national level; and

• Limited resources, distributed between too many programmes.

On the basis of these findings, three scenarios were proposed to close the SPF for children in Viet Nam; one universal and two targeted. The proposed benefit packages include a child allowance, additional educational services for children in communities lacking schools or kindergarten, and meals and take-home rations for children attending school. The ABND exercise used the RAP costing tool to calculate the cost of the three policy options, the results of which are outlined below in Section IV.

IV. Estimating the cost of completing the SPF for children

Cambodia

The ILO undertook costing exercises for proposed policy options under the five key social protection objectives of the NSPS-PV. For objective No. 2 which relates to mothers and children, financial assessment of six policy options was carried out to calculate the estimated cost as a percentage of GDP, projected to 2020. The results of the calculations are set out in the table below68:

Table 1. Cost of proposed child benefit schemes, Cambodia

<table>
<thead>
<tr>
<th>Proposed benefit</th>
<th>Estimated cost as % of GDP</th>
<th>Projected cost as % of GDP in 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Cash transfers for pregnant women who are poor (KHR 75,000 / USD 19 per month for 6 months)</td>
<td>0.07 %</td>
<td>0.02 %69</td>
</tr>
<tr>
<td>(ii) Universal cash transfer for all pregnant women (KHR 75,000 / USD 19 per month for 6 months)</td>
<td>0.30 %</td>
<td>0.15 %</td>
</tr>
</tbody>
</table>

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68 For full explanation of the assumptions and figures used to make the RAP calculations, refer to the full report: Hennicot, J-C. 2012, op. cit.

69 The decline by 2020 was predicted due to projected decline in poverty and fertility rates and assumed expansion of GDP.
(iii) Cash transfers for poor children aged < 3 years (KHR 56,000 / USD 14 per month) & 0.34 % & 0.10%  
(iv) Universal cash transfer for all children aged < 3 years (KHR 56,000 / USD 14 per month as long as qualifying) & 1.3 % & 0.7 %  
(v) Cash transfers for poor children attending primary school aged 6-11 (KHR 56,000 / USD 14 per month as long as qualifying and attending school) & 0.54 % & 0.19 %  
(vi) Universal cash transfer for all children attending primary school aged 6-11 (KHR 56,000 / USD 14 per month as long as qualifying and attending school) & 2.2 % & 1.4%  

**Indonesia**

The Indonesian ABND exercise used the ILO RAP costing tool to calculate the projected costs of some of the policy options recommended based on the results of the SPF matrix. Costing was carried out for three ‘scenarios’ to address recommendations for ensuring income security for children.\(^70\) Results of the costing exercises are set out in the table below.

**Table 2. Cost of proposed child benefit schemes, Indonesia**

<table>
<thead>
<tr>
<th>Proposed benefit</th>
<th>Projected additional cost as % of GDP and government expenditure in 2020</th>
<th>Total cost as % of GDP and government expenditure in 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Extension of the PKH programme to all poor households</td>
<td>0.03 % of GDP and 0.20 % of government expenditure</td>
<td>0.05 per cent of GDP and 0.27 % of government expenditure</td>
</tr>
</tbody>
</table>

\(^70\) For full explanation of the assumptions and figures used to inform the RAP calculations, see the report: Satriana, S. and Schmitt, V. 2012, op. cit., pp. 47 & 59-62.
(rather than only very poor households)\(^71\) | expenditure
---|---
(ii) Scenario (i) plus an increased benefit package for children 13-15 years\(^72\) | 0.04 % of GDP and 0.22 % of government expenditure | 0.05 % of GDP and 0.28 % of government expenditure
(iii) Establishment of a universal child allowance for children 0-15 years\(^73\) of IDR 400,000/USD 39 per person per year\(^74\), | n/a | 0.18 % of GDP and 1.04 % of government expenditure

Calculations were also carried out for eight different scenarios for the achievement of universal essential health care, including scenario (viii) introduction of a universal package to reduce mother-to-child transmission of HIV and syphilis\(^75\). The cost of the package was calculated at 0.002 per cent of GDP and 0.014 per cent of government expenditure by 2020.

**Thailand**

The social protection assessment exercise in Thailand also used the RAP costing tool to calculate projected costs of proposed policy options and additional social protection provisions for completing the national SPF. The main recommendation for children – implementation of a universal child support grant – was translated into six different scenarios,

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\(^71\) The beneficiaries of PKH include children under five (25.5 % of total beneficiaries), children of primary school age (50.85 % of beneficiaries), children of junior secondary school age (18.64%) and pregnant or lactating mothers (1.69%). The calculations assumed that this composition, which is based on proportions of existing beneficiaries, would remain constant over time. Annual benefit package and administration costs proposed were as follows: children under 5: IDR 800,000/USD 78; primary school age: IDR 400,000/USD 39; junior secondary school age: IDR 800,000/USD 78; pregnant or lactating mothers: IDR 800,000/USD 78; fixed per household: IDR 200,000/USD 19; estimated admin costs: IDR 220,000/UD 21.

\(^72\) The benefit package and administrative costs are the same as for proposal (i) except for junior school children, who would receive a benefit package of IDR 1,200,000/USD 117 per year instead of IDR 800,000/USD 78. This age group was selected as in need of a higher benefit package due to it being particularly at risk of child labour. Higher benefits are designed to reduce the financial burden of a child attending school for families, and thus lessen the likelihood of early entry into the labour force.

\(^73\) Also for children aged 15-19 if they have not yet completed ninth grade.

\(^74\) Based on the current PKH benefit for primary school children.

\(^75\) The package would include one HIV Voluntary Counseling and Testing (VCT) appointment and one free syphilis test for all mothers who will deliver in a particular year. Those living with HIV would receive antiretroviral treatment (ART) prophylaxis to reduce mother-to-child transmission, and those with syphilis would receive antibiotic treatment.
with costs calculated for each scenario\textsuperscript{76}. The results of the calculations for each scenario are set out in the table below.

**Table 3. Cost of proposed child benefit schemes, Thailand**

<table>
<thead>
<tr>
<th>Proposed benefit</th>
<th>Projected additional cost as % of GDP and government revenues in 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) All children aged 0-3 (400 baht / USD 13 per month)\textsuperscript{77}</td>
<td>0.08 % of GDP and 0.39 % of government revenues</td>
</tr>
<tr>
<td>(ii) All children aged 0-6 (400 baht / USD 13 per month)</td>
<td>0.14 % of GDP and 0.69 % of government revenues</td>
</tr>
<tr>
<td>(iii) All children aged 0-12 (400 baht / USD 13 per month)</td>
<td>0.27 % of GDP and 1.31 % of government revenues</td>
</tr>
<tr>
<td>(iv) All children aged 0-6 (500 baht / USD 16 per month)</td>
<td>0.18 % of GDP and 0.86 % of government revenues</td>
</tr>
<tr>
<td>(v) All children aged 0-12 (500 baht/ USD 16 per month)</td>
<td>0.34 % of GDP and 1.63 % of government revenues</td>
</tr>
<tr>
<td>(vi) Poor children aged 0-14 (400 baht / USD 13 per month)</td>
<td>0.04 % of GDP and 0.21 % of government revenues</td>
</tr>
</tbody>
</table>

**Viet Nam**

After completion of the rapid assessment matrix the ABND exercise in Viet Nam used the RAP costing tool to estimate the financial contribution required for three policy scenarios designed to achieve income security for children, the results of which are set out in the table below\textsuperscript{78}.

\textsuperscript{76} For full explanation of the assumptions and figures used to inform the RAP calculations, see the report: Schmitt, V., Sakunphanit, Dr. T. and Prasitsiriphol, O. 2013, op. cit., pp. 52 & 55-59
\textsuperscript{77} According to global standards, a child support grant should amount to USD 0.67 * 1.25 per day (or USD 25.125 per month, around 750 baht) to avoid extreme poverty, which is higher than the various scenarios proposed. A relatively low level of child support was decided upon in order to avoid creating disincentives for workers to contribute to the Social Security Office schemes.
\textsuperscript{78} For full explanation of the assumptions and figures used to inform the RAP calculations, see the report: Cichon, M.; Bonnet, F.; Schmitt, V.; Galian, C.; Mazeikaita, G. 2012, op. cit., pp. 17, 19, 21-34 & 56-69.
Table 4. Cost of proposed child benefit schemes, Viet Nam

<table>
<thead>
<tr>
<th>Proposed benefit</th>
<th>Estimated cost as % of GDP/government expenditure</th>
<th>Estimated cost as % of GDP/government expenditure in 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Package including: universal child benefit for children aged 0-15 (^{79}); additional education services for communities lacking schools/kindergartens(^{80}); and one meal + take-home ration for all children in school aged 5-15(^{81})</td>
<td>1.12 % of GDP or 3.52 % of government expenditure</td>
<td>4.31 % of GDP or 13.96 % of government expenditure</td>
</tr>
<tr>
<td>(ii) Targeted child benefit for all poor children aged 0-15 years (conditions identical to option (i))</td>
<td>0.24 % of GDP or 0.75 % of government expenditure</td>
<td>0.70 % of GDP or 2.38 % of government expenditure</td>
</tr>
<tr>
<td>(iii) Targeted child benefit for poor children limited to a maximum of two children per household (^{82}) (conditions identical to option (i)).</td>
<td>0.13 % of GDP or 0.40 % of government expenditure</td>
<td>0.39 % of GDP or 1.25 % of government expenditure</td>
</tr>
</tbody>
</table>

V. Discussion: Policy implications & the way forward

Gaps in SPFs: shared challenges

Using the SPF matrix to stock take existing social protection policies and programmes in Cambodia, Indonesia, Thailand and Viet Nam highlighted a number of common areas where national SPFs were revealed to have ‘holes’ – both generally and in terms of ensuring income security for children. Some of the key findings common to all the country studies included:

\(^{79}\) The allowance would be set between 30 and 50 per cent of the minimum wage (depending on the age group) as an incentive against child labour

\(^{80}\) Additional education services would consist of one additional teacher per 20 children plus non-staff costs

\(^{81}\) Meals and take-home rations would be set at 50 per cent of the poverty line per child.

\(^{82}\) Limiting the benefits of the targeted scheme to a maximum of two children per household would be less costly and possibly more favourable in that it prevents perverse incentives for families to have more children. This scenario presents the strongest implementation challenge however, as it would require strong registration and administration processes; further, it raises questions of inequity, as poverty rates tend to be considerably higher among large families.
• Fragmented, ad-hoc and/or overlapping programmes;
• Lack of coordination between social protection interventions – including within and between government departments and non-government development partners – resulting in uneven coverage, duplication of efforts, lack of sustainability and reduced overall impact;
• Low coverage (geographically and in terms of number of recipients)
• Inconsistent eligibility and targeting criteria stemming from limited outreach capacity and data deficiencies;
• Limited monitoring and evaluation of existing programmes, making assessment of programme effectiveness difficult;
• Lack of awareness or knowledge of entitlements to existing programmes among beneficiaries;
• Issues in programme management and disbursement of benefits; and
• Lack of protection for workers in the informal sector, resulting in financial insecurity for families and children.

Highlighting the social protection gaps in each country, and those shared across country case studies, establishes a basis for future programme planning on social protection initiatives. While approaches will inevitably differ between countries due to varied social, economic, cultural and environmental imperatives, as well as in the stage of development of existing social protection schemes, the SPF matrix illustrates the appropriateness of a life-cycle approach to reducing poverty, requiring coordination and coherence between various social protection programmes to address the specific vulnerabilities of children and their families (as well as the underemployed, working poor, elderly and people with disabilities). The SPF framework highlights the multidimensional, interrelated causes of child poverty and thus encourages an approach that concurrently (though gradually) pursues a social protection system that links complementary development objectives (educational, nutritional and health, for example) with aligned programmes (such as income transfers to families with children)\(^{83}\).

The ILO’s social protection assessment studies in the Cambodia, Indonesia, Thailand and Viet Nam also highlight that effective social protection programmes are dependent upon the existence, functioning and accessibility of the social services (health, education, child care, etc.) required to deliver the benefits of social security and social assistance schemes. A

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\(^{83}\) ILO 2011b, op. cit., pp. 91-3.
universal child allowance conditional upon school attendance, for example, may fail to assist those most in need if schools are not accessible and/or available in areas where poor families live. This is another area in which the SPF approach can assist with the development of national social protection frameworks, by defining rights, proposing programme interventions and supply side improvements that together will promote income security and guarantee full development of children’s potential. The proposed scenarios for a child benefit in Viet Nam, for example, consist of packages including not just a cash transfer (addressing child and family income security) but also school meals and take home rations (addressing nutrition, reducing the burden on breadwinners and contributing to sustainable human capital development) and additional educational services in remote areas (addressing supply of and access to education). This approach acknowledges that free access to social services - such as education - may not be sufficient to guarantee development outcomes – like increased school enrolment and reduced drop-out rates. Services often need to be linked to complementary benefits – such as transfers in cash and in kind such as school feeding programmes and take home rations or scholarships for the poor – to ensure that all children, particularly the most vulnerable, can effectively access education and dedicate sufficient time and energy to study.

Closing national SPFs for children: shared recommendations

It is noteworthy that in each of the studies presented above, introduction of a universal child allowance (or child support grant) was included as a policy proposal for closing the SPF for children. While in each country alternative forms of conditional cash transfers for children were proposed and costs calculated according to domestic socio-economic realities – for example targeting only poor children, or only children within particular age brackets, rather than a truly ‘universal’ transfer – neither targeted nor universal child benefits were found to be prohibitively expensive. In Cambodia, a universal allowance of KHR 56,000/USD 14 per month for primary school children aged 6-11 was estimated to cost 1.4 per cent of GDP by 2020; in Indonesia a universal allowance of IDR 400,000/USD 39 per year was estimated to cost 0.18 per cent of GDP and 1.04 per cent of government expenditures by 2020. In Thailand the cost estimates for the six child allowance scenarios ranged from 0.04 per cent of GDP and 0.21 per cent of government revenues (for a 400 baht/USD 13 per month grant to poor children aged 0-14), to 0.34 per cent of GDP and 1.63 per cent of government revenues by 2020 (for a 500 baht/USD 16 per month universal allowance for children aged 0-12 years). And finally in Viet Nam where costs were highest, a universal benefit package for children (including a cash transfer, meals/take home rations and improved educational services) aged 0-15 – set at 25 per cent of the minimum wage for those aged 0-5; 30 per cent for those aged
6-10 and 50 per cent for those aged 11-15\textsuperscript{84} – was calculated to cost an estimated 14.31 per cent of GDP or 13.96 per cent of government expenditures by 2020.

Though universal schemes cost more than those targeted at certain segments of a population, they are easier to administer, removing the need for complicated and disaggregated data collection of verifiable income-based criteria, in order to accurately identify and reach target beneficiaries. For this reason they may be more appropriate in country contexts where data collection and information management systems are less developed or sophisticated. In Thailand, for example, a national identification system for all residents has already been established, which would enable comparatively rapid (approximately three years) introduction of a universal child support grant achievable. Indonesia, on the other hand, is only in the early stages of developing such a system, so introducing a universal grant, or expanded PKH programme as proposed by the ABND, would be more challenging from an information management standpoint.

It is important to highlight that in each of the ILO social protection studies referred to in this paper, cost estimates for child allowances are presented in the context of consolidated packages designed to complete the SPF in each country – that is, proposed child benefits would ideally be introduced alongside measures addressing the other three components of the SPF: access to essential health services for all; income security for the working-age population; and income security for the elderly. Different social protection schemes will invariably positively impact one another if administered in coordinated and complementary ways – for example cash transfers or food subsidies for families implemented in tandem with child allowances will increase the likelihood of children attending school, reduce the prospect of early entry into the labour force, and boost the overall income security and/or nutrition levels of family units.

Where to from here?

Leaving aside the more complex, micro-level and nationally specific policy implications of using the SPF framework to pursue income security for children, overarching lessons can be

\textsuperscript{84} Costs were calculated as a percentage of the minimum wage and projected, taking into account wage growth and inflation, up to 2020. The 2010 benefit amounts were: VND 182,500/USD 9 for 0-5 years; VND 219,000/USD 10 for 6-10 years; and VND 365 000/USD 17 for 11-15 years. By 2020 the benefit amounts were projected to amount to: VND 640,799/USD 30 for 0-5 years; VND 768,959/USD 36 for 6-10 years; and VND 1,281,599/USD 60 for 11-15 years. See Ibid, p. 56.
drawn from the ILO social protection studies undertaken in Cambodia, Indonesia, Thailand and Viet Nam:

- While the development of a national SPF requires the existence or development of adequate fiscal space and strong government commitment to ensure fiscal sustainability, cost projections carried out as part of the SPF country studies confirm that gradual introduction of measures to close SPF gaps for children (such as universal or targeted child benefits) – whether alone or as part of consolidated SPF packages – is not prohibitively expensive.\(^{85}\)

- Financial modeling of the implementation of cash transfers for children in Viet Nam were found to have a significant impact on overall poverty reduction, not just for children.\(^{86}\)

- The common implementation gaps of existing programmes highlighted in the country studies – notably issues of programme overlap, lack of coordination, poor data management and inadequate monitoring and evaluation – were true of most social protection programmes, but also specifically for programmes targeting poor children. The importance of programme coordination and accurate targeting based on strong data collection and management is particularly evident when examining complementary programmes such as scholarships for poor students, school feeding programmes, cash transfers for poor children, and programmes combatting child labour. The SPF matrices reveal how better management of and development of better information systems for existing programmes – not just introduction of new schemes – can assist to close social protection gaps for children.

- The risk that child income security will be impacted upon by compounding vulnerabilities stemming from shocks to the income security of their family units, and the implications this has for their nutrition, safety, health, ability to attend school, and future human capital development, demonstrate that the intergenerational, holistic SPF framework is a relevant approach to addressing child poverty as well as poverty more broadly.

The endorsement of all four ILO social protection studies by the respective national governments is a promising sign that the necessary commitment for expansion of social

\(^{85}\) For an overview of a range of studies undertaken on the affordability of SPFs, even for low income countries, see Ibid., pp.42-7 and ILO 2010, pp. 22-27.

\(^{86}\) This kind of modeling was not carried out in the other country studies so comparisons cannot be drawn. See the Poverty Impact Analysis section of Cichon, M.; Bonnet, F.; Schmitt, V.; Galian, C.; Mazeikaite, G. 2012, op. cit., pp. 35-41.
protection systems, and of the fiscal space required, already exists. The ILO is continuing to work with national, provincial and district governments in each country to further promote the SPF through a range of technical assistance and cooperation activities. One relevant example is the piloting of a coordination mechanism called the Single Window Service (SWS) in Indonesia or Social Service Delivery Mechanism (SSDM) in Cambodia.\(^{87}\) SWS/SSDM consist of ‘one-stop-shop’ offices at subnational level that deliver social protection programs and employment services, using an integrated database. In Cambodia, the pilot SSDM will seek to coordinate school feeding and scholarship programmes with assistance to vulnerable groups, public works, and conditional cash transfer and health schemes\(^{88}\). This integrated approach is a tool for integrating the SPF, and will facilitate access for families and children – who often lack access to information and services – to existing social protection schemes.

VI. Conclusion

The results set out above from the ILO social protection studies completed in Cambodia, Indonesia, Thailand and Viet Nam have three primary implications for discussions of and efforts to address child poverty in South East Asia and beyond. Firstly, the SPF framework ensures an approach to social protection that is both holistic and child-sensitive; secondly, the financial commitment needed to close the gaps in national SPFs – including gaps in achieving income security for children – is not prohibitive, and is achievable for developing and middle-income countries with adequate budgetary and taxation management; and finally, the SPF approach takes into account the variability of socio-economic contexts within and between countries, and thus the unique vulnerabilities impacting upon income security for children. By providing a set of guarantees that individual governments can use to define their own SPFs, the framework can be employed to set minimum standards for child income security, which can then be used as benchmarks to progressively introduce higher and more comprehensive levels of social protection as the necessary fiscal space becomes available. This can serve as a strong foundation for a broader social protection plan for children (and for all residents) that is achievable and sustainable in the long term.


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