The policy interest in the use of social protection systems to respond to covariate shocks is on the rise in Latin America and the Caribbean (LAC) and elsewhere. In the LAC region, the coverage and adequacy of social protection services and benefits varies from country to country, but, overall, systems have been expanded and strengthened in recent decades, and so has the administrative capacity behind them.

Social protection systems in LAC are intrinsically related to shock response, although they have been typically designed to deal with idiosyncratic shocks and economic crises (in addition to poverty reduction and support along the life cycle). Only more recently has social protection started to be used as a platform for providing support to people affected by natural hazards. Examples include Ecuador’s response to the 2016 earthquake, Peru’s response to the 2017 floods caused by the coastal El Niño phenomenon, Mexico’s response to the 2017 earthquake, Dominica’s response to Hurricane Maria in 2017, El Salvador’s response to the protracted drought in 2018, and Chile’s system for response to disasters which has been adopted frequently in recent years.

The premise is simple: social protection systems which provide support to people in need during normal times could also support those affected by covariate shocks.1 However, this simple premise hides a number of important questions: Is social protection better placed than other sectors to provide assistance? Can social protection scale up in time? Would the support provided by social protection meet the needs of people affected by shocks? How does all this vary depending on the type and scale of the shock?

Recent experiences and studies (Beazley, Solórzano, and Barca 2019) have generated evidence and knowledge to start answering some of these (and other) questions. One of the key findings is that investment in preparedness is fundamental for timely and effective responses through social protection. Even simple response options such as giving top-ups to beneficiaries (vertical expansions) are often delayed when protocols are not in place, when the legislation does not enable such responses, when programme staff are not properly trained, when the IT platforms are not adapted, when there are no data-sharing agreements, and when there is no political commitment to transfer funds through social protection.

The absence of preparatory measures tends to lead to slow decision-making processes in the aftermath of events, resulting in delays in the provision of support. For example, the recent social protection cash responses to the above-mentioned shocks in Ecuador, Peru and Dominica were almost entirely delayed when protocols are not in place, when the legislation does not enable such responses, when programme staff are not properly trained, when the IT platforms are not adapted, when there are no data-sharing agreements, and when there is no political commitment to transfer funds through social protection.

The absence of preparatory measures tends to lead to slow decision-making processes in the aftermath of events, resulting in delays in the provision of support. For example, the recent social protection cash responses to the above-mentioned shocks in Ecuador, Peru and Dominica were almost entirely conceived and designed after the shocks. Despite the varying degrees of success, adequacy and timeliness of these experiences, responses could have been stronger with proper planning and preparedness.

Considering how important planning and preparedness is, even when using existing programmes and capacity, a few governments in the region have started investing in preparing their social protection systems.

In Peru, a ministerial resolution of August 2018 created an inter-ministerial working group sitting in the Ministry of Development and Social Inclusion (MIDIS) to develop a national strategy for shock-responsive social protection. In addition, in February 2019 a decree modified the law that regulates the national risk management system (SINAGERD) and gave MIDIS the role of first responder to emergencies.

In Ecuador, the government drafted a presidential decree establishing the role of social protection in emergency response and a manual of operations for humanitarian assistance. A registry of affected households with the related data collection mechanisms is also in the process of development.

In the Dominican Republic, a memorandum of understanding between the World Food Programme (WFP) and the government was signed in 2017 for capacity-strengthening and for channelling WFP’s support through the government’s social protection system in case of humanitarian crises. This is in addition to the use of social protection data from the Sistema Único de Beneficiarios (SIUBEN) for disaster risk preparedness (for more on the role of social assistance data for shock response, see Barca and Beazley (2019)).

In Colombia, the Department for Social Prosperity is currently developing a series of measures to make the protection system more responsive to natural disasters and also to provide support to the influx of Venezuelan migrants. These strategies include: the revision of programme protocols and guides, the implementation of a pilot of humanitarian assistance in cash (with the support of WFP), and the development of guidelines for the implementation of assistance programmes by international actors, which allows the sharing of common criteria and procedures.

In Dominica, WFP and UNICEF are currently supporting the government in the development of a management information system and standard operating procedures for the flagship cash transfer programme, taking into consideration the need for a flexible programme that can be used to respond to future shocks.

In the Caribbean, the first Regional Symposium on Shock-Responsive Social Protection was convened by the Caribbean Disaster Emergency Management Agency and WFP and hosted by the Government of Turks and Caicos Islands in June 2019. In this meeting, regional leaders, experts and practitioners emphasised the importance of preparing social protection systems to respond to and mitigate the impact of climate risks and shocks.

As evidence increasingly points to the benefits of using social protection systems to respond to shocks under certain circumstances and requisites, LAC governments and partners are starting to invest in preparing their policies and systems to ensure that such requisites are in place before an emergency occurs.

References:


Notes:

2. See: <shorturl.at/nKY9P>.