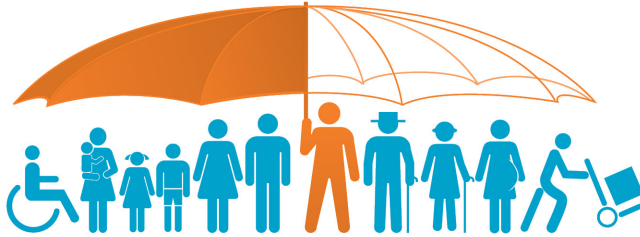


ADB



# ASIA-PACIFIC

# SOCIAL PROTECTION WEEK 2023

## Social Protection in a Changing World

26–28 September • ADB Headquarters, Manila, Philippines

# Just Transition

Implications for Social Protection

ADB Social Protection Week – 26 September 2023

**giz** Deutsche Gesellschaft  
für Internationale  
Zusammenarbeit (GIZ) GmbH

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# Overview

1

Concepts:  
Role of SP for  
a Just  
Transition?

2

Design &  
Practice:  
Where are we  
now?

3

Financing &  
effective  
reform:  
What does  
the evidence  
say?

4

How to  
institutionalize  
SP for a Just  
Transition?



1

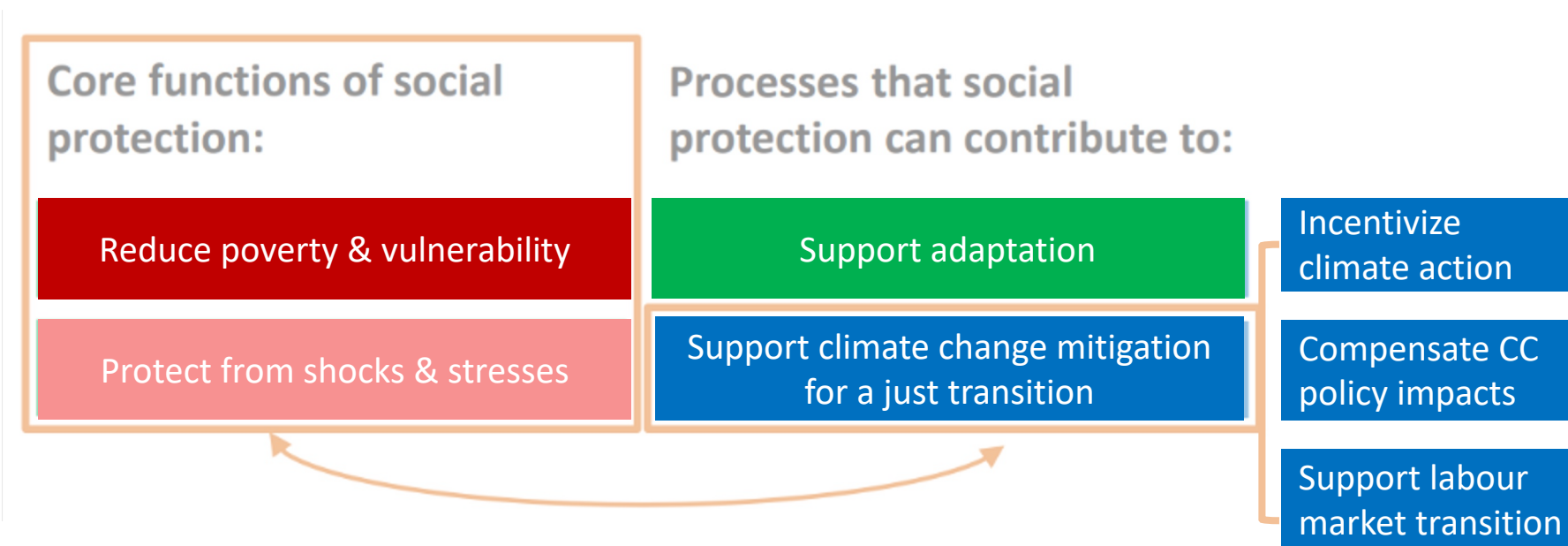
# Concepts: A “Just Transition”



Adapted from ILO (2015) Just Transition Guidelines.

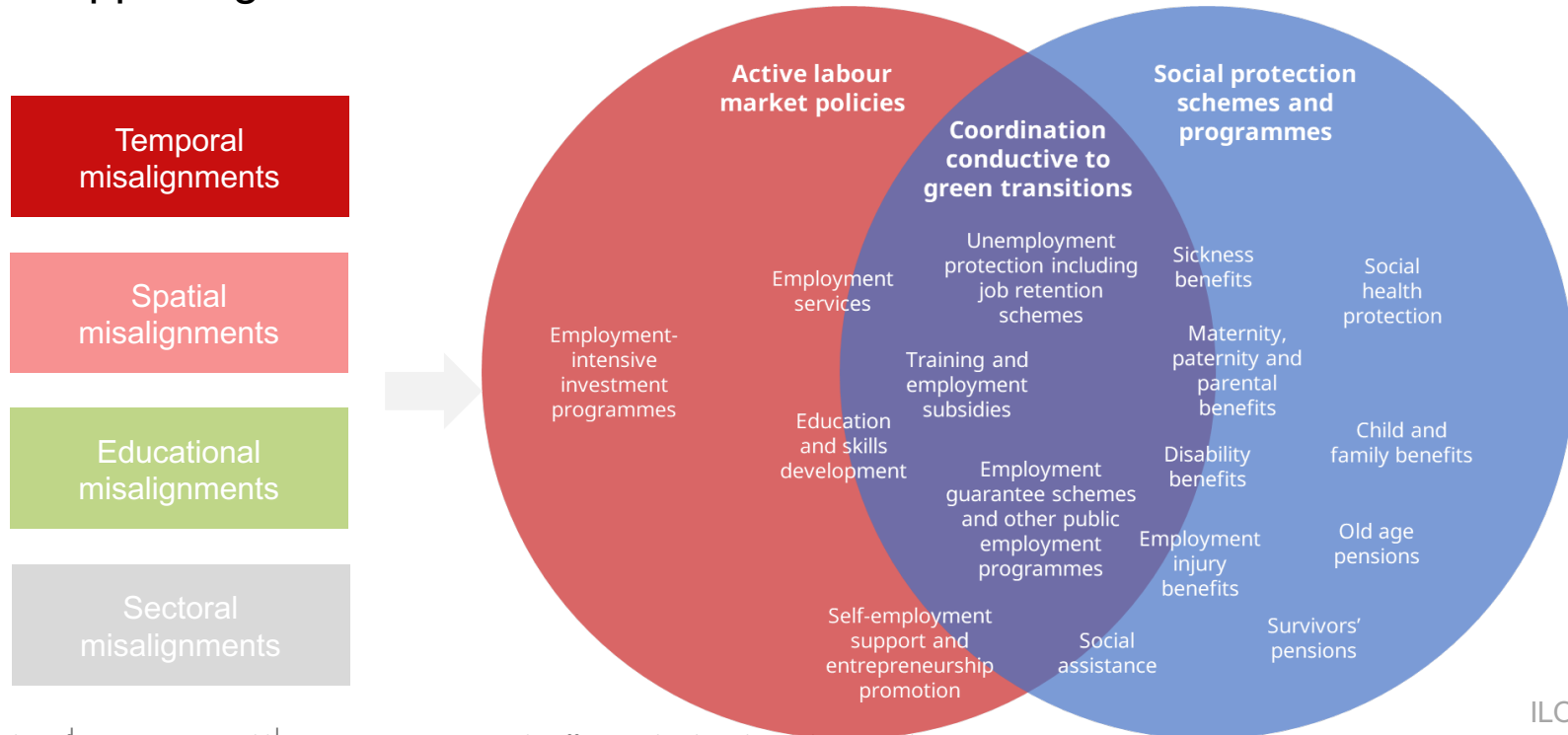
# Concepts: The role of social protection

...in context of climate change and a just transition



# Design & practice

## Supporting labour market transitions



# Design & practice

Cushion negative impacts of policy responses (price increases)

Price control  
measures

e.g

- Fixing or capping prices
- Reduced taxes, fees, excises
- Exemptions
- Rebates
- > Subsidies

Income support

- Non-contributory (e.g. child, family, unemployment benefit extension /increase)
- Supplements (e.g. energy/housing/transport allowances through e.g. unemployment or pension schemes)
- Contributory schemes (benefit ext., reduced/-scheduled contributions; relaxed eligibility; improved access etc.)
- Linked to work (e.g. job-retention / short-time work benefits, severance pay, employment guarantee / PWP)

# Design & practice

Promoting sustainable behaviours and investments, livelihoods diversification

e.g.

- **Linking non-contributory schemes to climate-related objectives** (e.g. decreased deforestation in Colombia and Indonesia, substitution of traditional fuels in Pakistan)
- **Payment for ecosystem services**, sometimes explicitly linked to social protection programmes/objectives (e.g. Brazil's Bolsa Verde and Bolsa Familia)
- **Cash Plus** and sustainable livelihood programmes (asset transfers and training in combination, some examples of coordinated measures, e.g. PROEZA)
- **Environmentally sensitive public works programmes** (e.g. South Africa, Ethiopia, India, Malawi)



# Financing & effective reform

What does the evidence say? An example

## Cross-regional study based on 6 low/middle-income countries

- Indonesia and Viet Nam
- Ecuador
- South Africa, Tanzania and Zambia

## 2 climate-change mitigation policies

- Carbon pricing – 20 USD/tCO<sub>2</sub>, 50 USD/tCO<sub>2</sub>, 80 USD/tCO<sub>2</sub>
- Removal of fuel and electricity subsidies

## 3 potential social-assistance reforms

- Increased generosity of existing schemes
- Increased coverage of existing schemes
- New categorical grant for children, elderly and individuals with disabilities

## Outcome measures

- Poverty impact and income changes
- Total population and different population subgroups

Analysis is based on novel tax-benefit microsimulation models

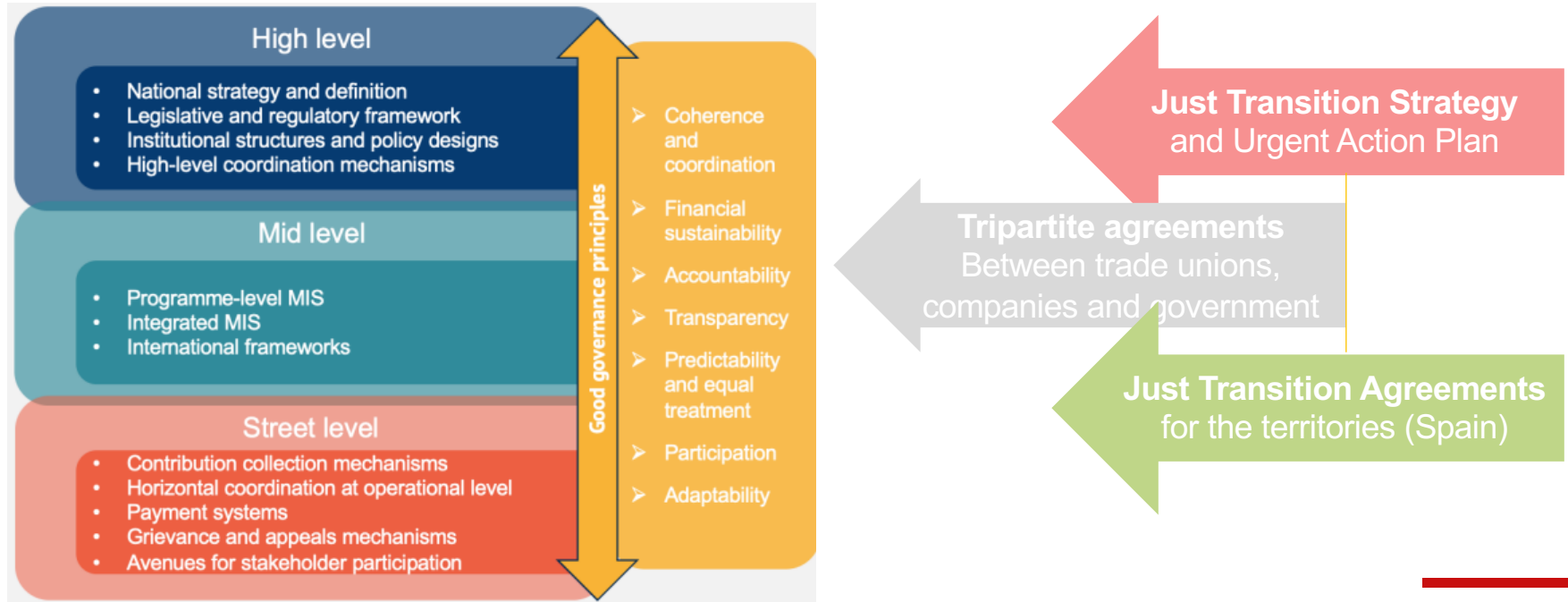
SASPRI /  
Gasior et al.  
(forthcoming)

# Financing & effective reform

What does the evidence say?

- **All 3 reform scenarios cushion overall drop in mean income/consumption**
- In Ecuador, Viet Nam & South Africa, more significant poverty reduction through **vertical expansion of existing benefits** than increasing the coverage (where poverty concentrated at the bottom, as in Viet Nam)
- Where big existing coverage gaps, better cushioning effects with **higher coverage scenario** for lower quintiles (South Africa and Zambia for example)
- **Categorical benefits:** stabilising income/consumption in most countries but seem better option for countries where poverty is not concentrated at the bottom (e.g. Tanzania and Zambia) also given potentially easier administration
- Potential **shortcomings of existing SP system are amplified** when introducing climate change mitigation policies and need to be considered for SP/JT reforms

# Institutionalization: Governance



# Institutionalization: Outlook

...globally, regionally, nationally

- International commitments (incl. Nationally Determined Contributions)
- International partnerships and initiatives (JET-Ps, P+)
- Integration in strategy/policy frameworks (incl. Just Transition Strategies)
- Social protection design and practice in context of climate change adaptation and mitigation
- Even countries with stronger SP system may need to reform these (if targeted based on income), given impacts across income groups
- Sustainable SP financing considering climate change; revenue recycling / earmarking (complementary)



**Thank you!**

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