

ADB



ASIA-PACIFIC
SOCIAL PROTECTION WEEK 2023
Social Protection in a Changing World

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From historical trends to investment pathways: Social protection expenditure in Pacific Island Countries and Timor-Leste

Presentation at Asia Pacific
Social Protection Week 2023

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Full report, data tables and information on P4SP's
other work available at <https://p4sp.org>

Partnerships for Social Protection (P4SP) is an Australian Government supported program that focuses on strengthening social protection programs, policies and systems among the Pacific Island Countries and Timor-Leste.

Aims to support analysis of social protection financing in PICs and Timor-Leste, including through:

- **The size and composition** of social protection expenditure
- **Historical evolution** of social protection expenditure as a reference for future pathways
- **Alignment with classifications** used in government financing, minimise overlaps with other sectors

Uses Government Finance Statistics Frameworks for consistency with MoF classification

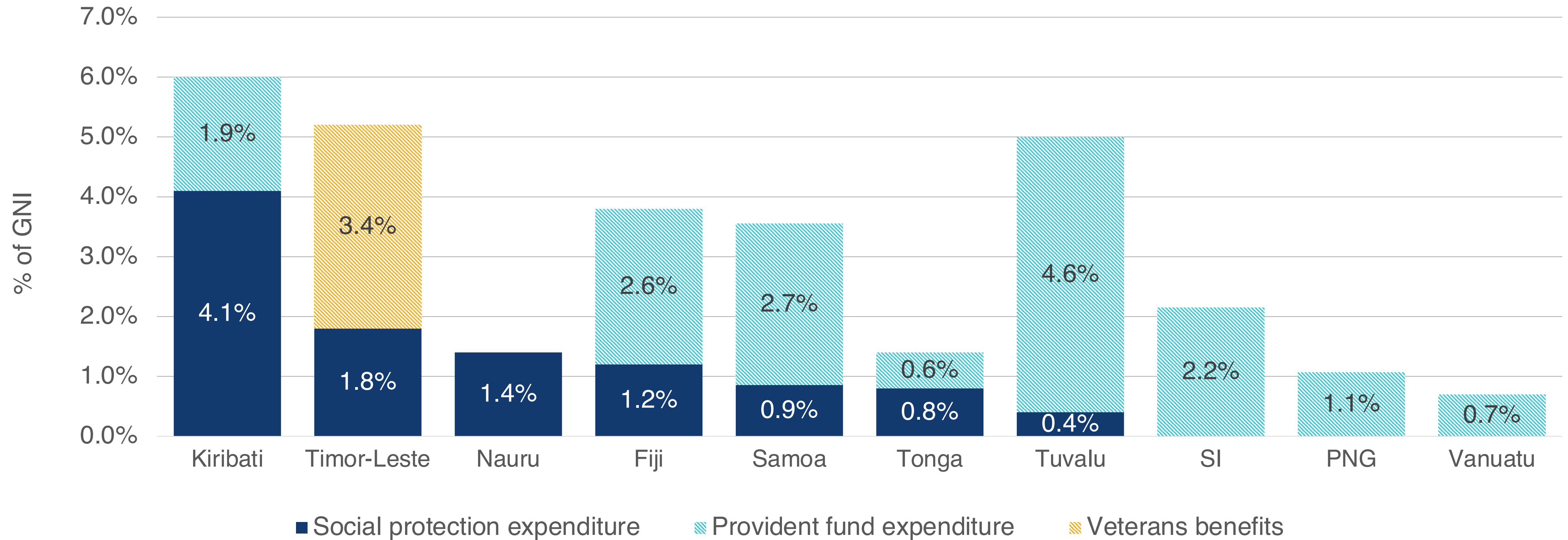
- **Economic classification [Social benefits (27)]**
social insurance, social assistance and employment-related benefits.
 - **Functional classification [Social protection (710)]:**
lifecycle risks including sickness, disability, old age, survivors, family and children, social exclusion.
- Here, provident funds/mandatory savings are not a form of government expenditure for SP

Focuses on long-term, budget-financed schemes in priority countries

- COVID-19 support and donor programs excluded
- 10 countries in focus, noting that some other countries are also making important investments

On-going work, data available online and will be updated

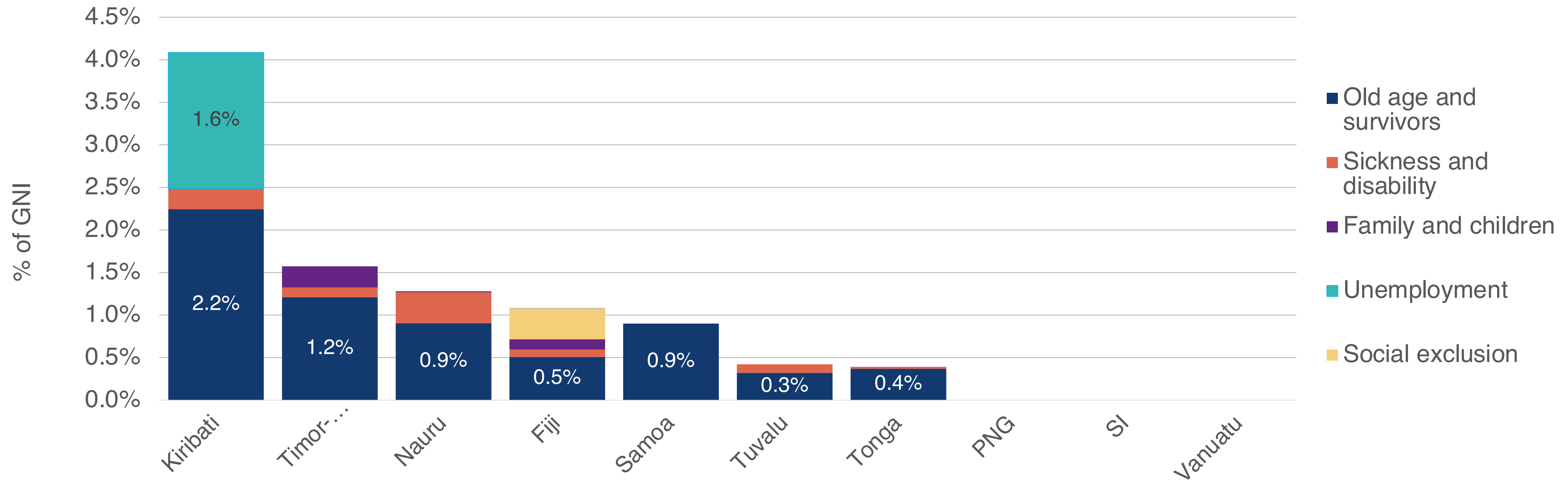
Social protection and provident fund expenditure as % of GNI



Notes

- Expenditure shown relative to GNI given high levels of foreign revenue which are not part of GDP, e.g., fishing licenses, remittances, and foreign grants . Figures in % of GDP is also made available
- Provident fund and veterans benefits considered ‘partial’ social protection, as they do not fully incorporate key features of social protection

Social assistance benefits by function, as % of GNI

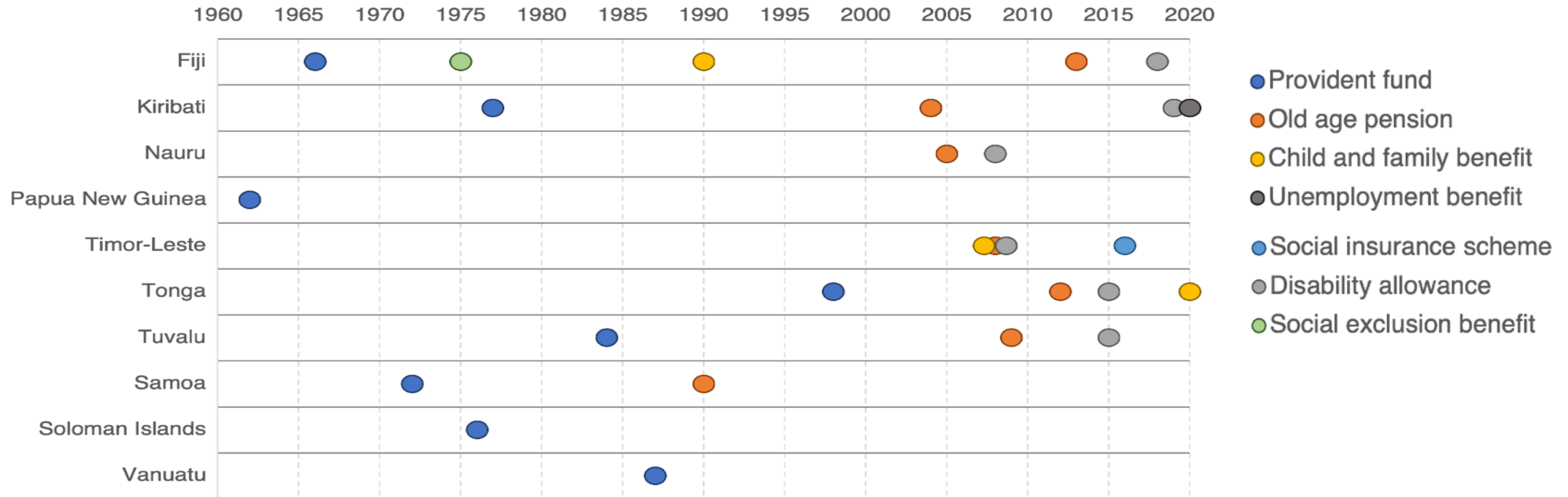


Universal life cycle schemes prominent

- Universal old age pensions comprise the main component
- Universal disability benefits present in the 7 countries
- Means-tested benefits for families and children exist in 2 countries

→ Administrative simplicity likely an important driver given complex geography. Other factors may include political and cultural buy-in (further studies needed)

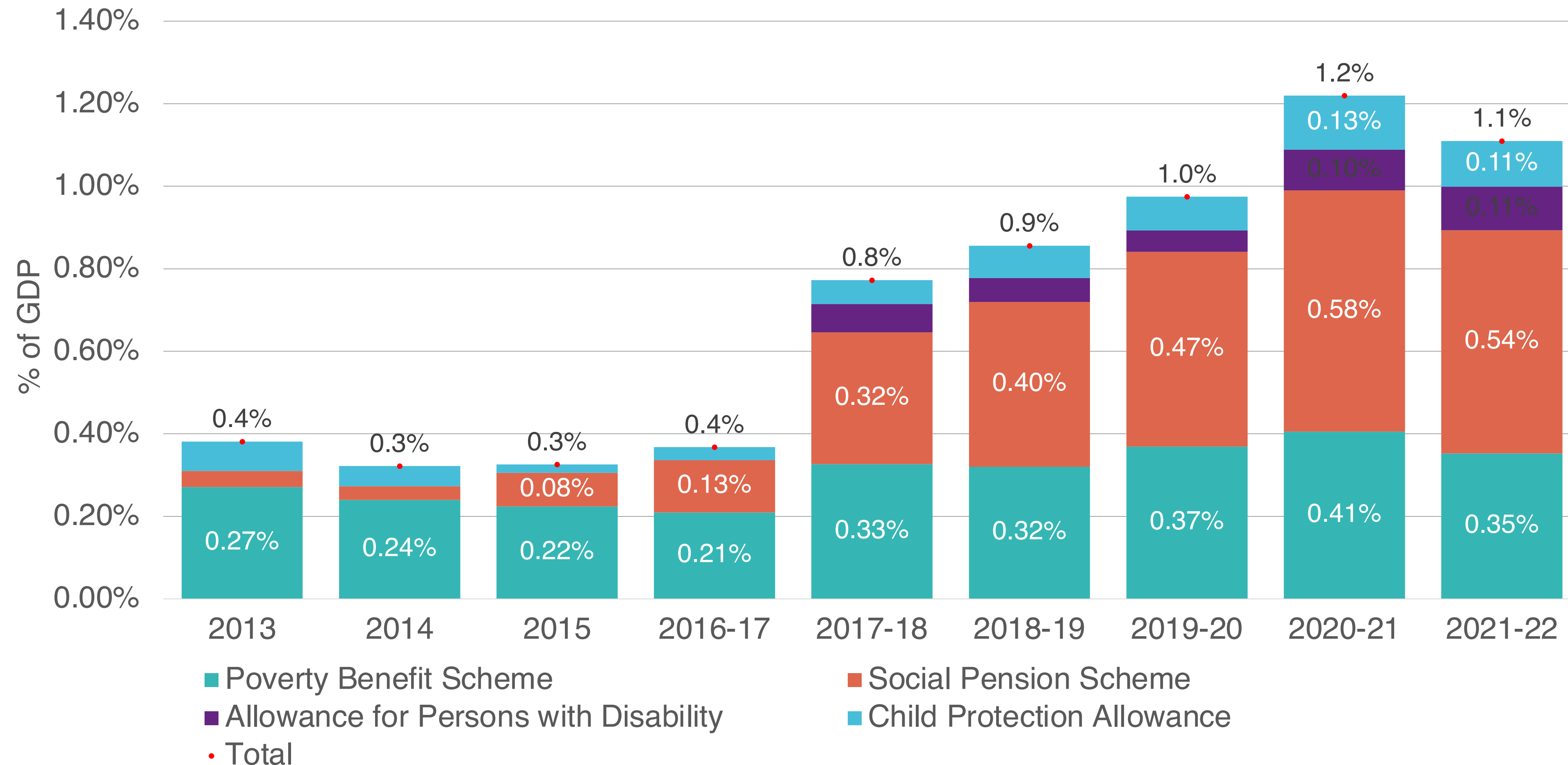
Timeline of introduction of main social protection schemes



- Social protection is not new in the Pacific!
- Social assistance expanded significantly in recent years, particularly through incremental expansion of universal schemes including:
 - Gradual reduction of the age of eligibility
 - Incremental increases in benefit levels
 - Differentiated benefit levels for different categories of beneficiaries

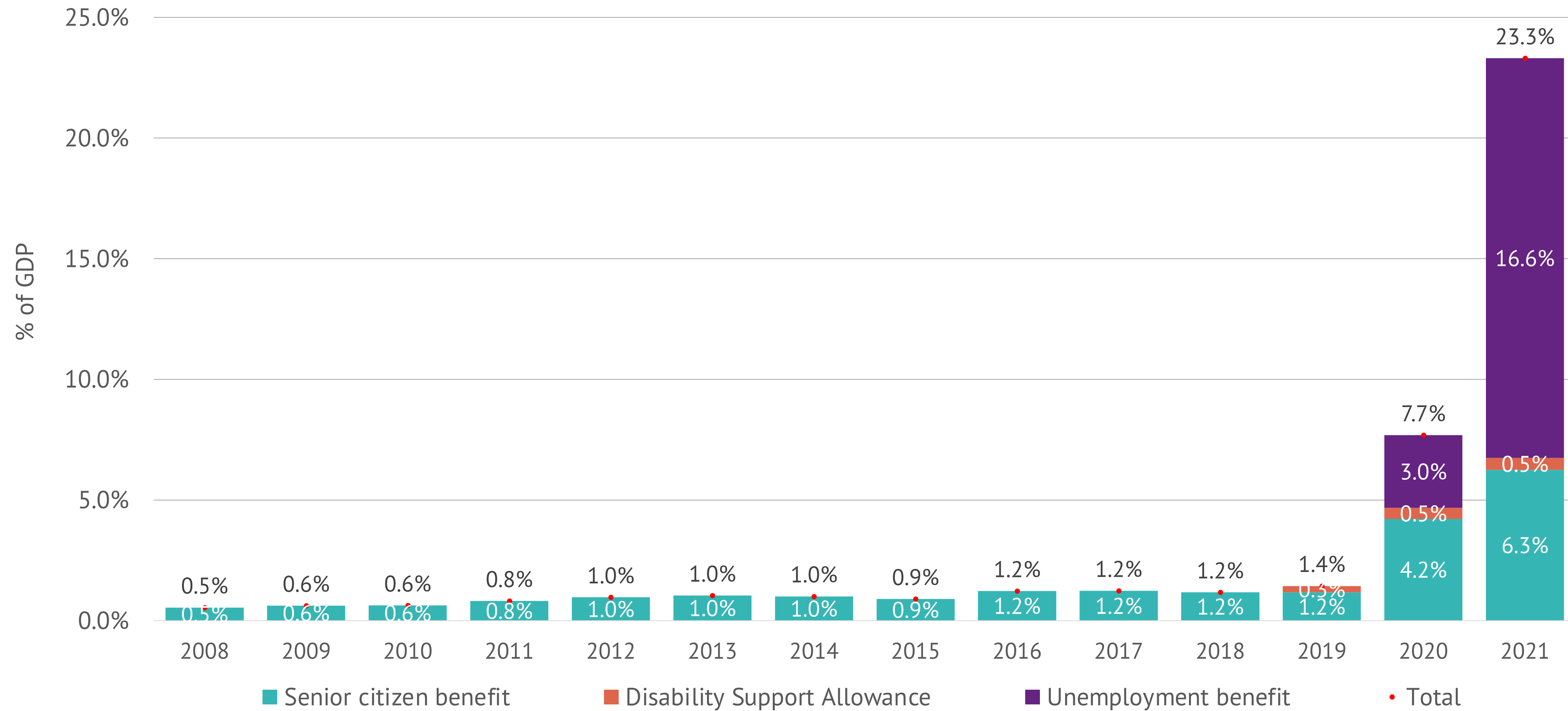
Gradually increase in expenditure: Fiji example

Expenditure on main social assistance schemes in Fiji, 2013-2022, % of GDP



Acceleration in social protection expenditure: Kiribati example

Expenditure on main social assistance schemes in Kiribati, 2008-2021, % of GDP



Key takeaways

- **Social protection is not new** in the Pacific
- **Social assistance has had strong expansion**
Different pace across countries, but mostly through gradual process
- **Universal life cycle schemes are prominent**
and have gone through relatively smooth introduction and expansion process
- There is a **strong focus on elderly and disability benefits**
Child-focused benefits remain a gap

For full report, click [here](#) or scan QR code below



For data tables, click [here](#) or scan QR code below



For other P4SP resources, visit <https://p4sp.org>