



# MOVING TO A NEW SCHOOL OF THOUGHT: PRECISE SOCIAL ASSISTANCE

## SOPROEN

SOCIAL PROTECTION ENGINEERING

*Committed to people*

**WORKING PAPER** written by:

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## **LIST OF ACRONYMS**

<b>ASP</b>	Adaptive Social Protection
<b>ESCAP</b>	Economic and Social Commission for Asia and the Pacific
<b>ILO</b>	International Labour Organization
<b>SP</b>	Social Protection

## **MOVING TO A NEW SCHOOL OF THOUGHT: PRECISE SOCIAL ASSISTANCE**

Social protection<sup>1</sup> systems have undergone significant developments over the last centuries. Informal arrangements for coping with distressful situations, which were very common before the twentieth century, marked the beginning of social protection systems. These arrangements were found in rural and small urban communities, where people designed, created, and developed mechanisms to protect one another in the absence of formal institutions. Formal arrangements started to emerge towards the end of the nineteenth century, particularly in Europe with the appearance of the welfare state. Countries like Great Britain and Germany were pioneers in creating welfare systems financed by contributions from workers and their employers (Ayala, 2024).

After the Second World War, economic growth, industrialization, and technological development brought abundant socio-economic changes, including the rising of poverty and vulnerability. Social protection systems rapidly expanded, particularly in high- and middle-income countries. These systems were divided into two categories: contributory and non-contributory. Contributory assistance was primarily provided by social insurance agencies, both public and private, while non-contributory assistance comprised a set of interventions aimed at protecting people from adverse events leading to poverty (Merrien, 2013). The World Bank defined the group of non-contributory interventions targeted at the poor and vulnerable as social safety nets or social assistance, which included programs such as cash transfers, food stamps, child

allowances, in-kind transfers, price subsidies, public works, and fee waivers, among others. Non-contributory social protection systems, or social safety nets, had four objectives: to have an immediate impact on inequality and extreme poverty, enable households to make better investments in their future, help households manage risk, and assist governments in making reforms to support the poor and vulnerable (Grosh, 2008).

All these interventions were supply-side oriented and were promoted and developed in most middle- and low-income countries. Policymakers, consultants, and officials from multilateral development agencies played a significant role in promoting, designing, and implementing both contributory and non-contributory interventions. They operated under a key assumption that these professionals, utilizing methodologies developed by themselves, knew which intervention to implement, where to implement it, when to begin, and who to assist. In this approach, the targeted population, comprising poor and vulnerable individuals and households, essentially played passive in the process. They were involved in activities such as answering questions, participating in focus groups, interviews, and other similar exercises, all geared towards assessing their poverty and vulnerability levels. Based on this information, policymakers determined the main design parameters, including what was deemed best for the population, the eligibility criteria, the amount of transfer or the size of the in-kind benefit, the number of beneficiaries, and similar considerations.

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<sup>1</sup> For this working paper, the terms social protection or social assistance will be used as synonyms, the two are used interchangeably.

The “how” to implement these supply-side oriented interventions emerged through a trial-and-error approach. Government agencies, development agencies, along with specialized consultants and consulting firms, undertook the task of implementing these programs. Over the years, a significant amount of knowledge was acquired regarding the “how.” Technical assistance was provided and different types of evaluations were conducted to assess whether these programs met minimum levels of effectiveness and efficiency. Social assistance agencies gradually gained expertise in implementing these massive programs and services. It was common at the end of the twentieth century to observe that central and regional governments had dozens and even hundreds of contributory and non-contributory supply-side oriented interventions.

At the beginning of the twenty-first century, a group of social protection researchers, including Duflo (2012), Easterly (2013) and others, expressed concerns about the functioning of social protection systems. They emphasized that these systems were not adequately addressing the needs of the poor and vulnerable. The assistance they were receiving fell short of their requirements, often not align with their actual needs. These researchers argued that the “benevolent technocratic solutions” were incomplete. Governments were not taking into consideration non-national factors such as technology, values, migrations, and most importantly, technocrats were neglecting the importance of spontaneous solutions and capacity of the poor and vulnerable to search for their own solutions. Consequently, there was an urgent need to explore alternative actions and interventions to assist the potential beneficiaries, giving them an active voice and opinion on how they want to

address their long-term challenges and urgent needs. There was a need to introduce and develop what I call “demand side-oriented interventions”.

In the 2010s, mechanisms were developed to facilitate and promote the active participation of poor and vulnerable people having both long-term and urgent needs. The Referrals and Linkages mechanism aims to simplify the process for people to find the services providers they need to address their needs. The comprehensive grievance and redressal mechanism for the entire social protection system is designed to better address people’s complaints and assist them through systematic resolution processes. The unique window dedicated to assisting citizens has the objective to facilitate and optimize operational relationships between citizens and both public and non-public service providers and programs. These and other mechanisms that promote the active participation of the poor and vulnerable in finding the best solutions to their needs are being piloted in various forms before expanding nationwide. The primary goal of these mechanisms is to empower people to voice their concerns, allowing them to complain, request assistance, and simplify their interactions with programs and service providers.

The plan was to develop comprehensive social protection systems, including both supply-side interventions and demand-side oriented mechanisms to promote the participation of the poor and vulnerable. Both types of interventions and mechanisms are essential, with the first one addressing long-term needs and the second dealing with short-term needs. Achieving a balanced integration of these components is advisable, requiring state-of-the-art technology, specialized technical assistance, involvement of professional administrators, good

coordination between agencies, and of course, efficient interventions and mechanisms. However, such comprehensive social protection systems are not common in most countries, and the operation of these mechanisms remains a challenging and difficult task for many of them.

Complicating matters even further, the United Nations and the World Bank have been leading the development of a new paradigm for social protection systems in recent years. The contemporary world is swarming with interconnected shocks, including natural and climate-related disasters, economic crises, pandemics, and armed conflicts. Existing social protection systems, with both supply-side interventions and demand-side mechanisms to address the needs of the poor, vulnerable, and affected people, are deemed insufficient to adequately respond to these contemporary shocks. These development agencies argue that Adaptive Social Protection (ASP) systems should be the new approach to be developed for these systems. ASP systems should serve as a tool to build the resilience of households against various covariate shocks. Essentially, ASP necessitates a strengthened system in which different institutional actors must coordinate actions and the execution of interventions. Primarily, social protection and disaster response systems and agencies must adapt their actions, interventions, and management processes to effectively respond to current shocks (Bowen, 2020). Basically, the goal is to reach affected people due to an emergency or disaster through both vertical expansion (beneficiaries of the Social Protection (SP) system) and horizontal expansion (non-beneficiaries of the SP system) simultaneously and efficiently.

Lately, development agencies are advocating for a new approach to social protection systems, urging countries to develop

inclusive systems. These systems are founded on principles such as universality, equity, solidarity, non-discrimination, and participation. The Economic and Social Commission for Asia and the Pacific (ESCAP) has taken a significant step by formulating a regional Action Plan for its member countries. ESCAP (2022) has outlined 12 milestones as part of an effort to establish an integrated and sustainable social protection system.

In summary, social protection systems must incorporate supply-side interventions, demand side-oriented mechanisms, coordinating tools with other complementary agencies, and comprehensive delivery interventions to effectively respond to shocks, ultimately moving towards to an inclusive SP system. Undoubtedly, the challenge of moving to such a system is substantial, requiring a significant amount of expertise and experience to design sophisticated and comprehensive interventions, mechanisms, and coordinating tools involving multiple institutional actors. Despite policymakers' aspirations, it is essential to highlight that SP systems currently face important operational challenges, which can be summarized as follows:

- Demand side-oriented mechanisms to facilitate poor and vulnerable populations in addressing and solving their immediate needs by interacting with programs and services are in their early stages. Most countries are just beginning to work on these mechanisms, and the World Bank, along with other development agencies, is encouraging countries to develop these mechanisms through loans, grants, and technical assistance.
- The shock response sector is commonly preoccupied with preparatory stages before disasters, prioritizing the reduction

of immediate impact on casualties. However, almost no coordinated responses focus on the assistance to be provided after the shock event. In fact, the social protection sector should assist victims and affected people in the weeks and months after the event until they return to normal.

- Social protection systems are prepared to assist people affected by natural and climate-related disasters who are already being benefited, meaning they were already qualified as poor or vulnerable before the disaster (vertical expansion). However, these systems are not prepared to assist people who either lost everything due to the disaster, were doing decently until the disaster struck, and were categorized above poverty line. It is common to see, weeks after the disaster, media reports showing thousands of people complaining that no help or assistance has arrived, despite repeated government assurances otherwise.
- Institutions are not ready to work together; national laws, operational guidelines, budgets, and personnel have become immense barriers that make it impossible for government agencies to develop and implement coordinated actions and interventions.

Despite the challenges mentioned above, the different schools of thought aiming to make social protection systems responsive to the needs of the poor and vulnerable share a common goal: reaching the majority of people with assistance. The challenges previously mentioned, are attributed to poor results. According to the International Labour Organization (ILO, 2022), most social protection systems do not effectively cover the entire population, especially the most vulnerable and excluded people. The report indicates that only 47% of the world's population has effective access to at least one

social protection benefit, while the remaining 53%, equivalent to 4.1 billion people, have no social protection or only partial protection. Furthermore, only 29% of the world's population has access to comprehensive social protection, meaning they can access a full range of benefits that cover various life contingencies, such as old age, illness, unemployment, motherhood, disability or poverty.

This ILO report recommends that countries should build inclusive, adaptive and resilient social protection systems that guarantee universal access to health and income security for all people, at all stages of life and in all situations. Achieving this goal requires greater political commitment, increased financial investment, greater international cooperation, and increased participation of social actors. However, in my point of view, realizing this aspiration is challenging both in the short and long term. This because it demands immense efforts to design and develop better and more efficient interventions, effective organizational structures and institutional arrangements. And additionally, because governments need to allocate more resources to this sector, which can be challenging when resources are scarce.

My point and argument is that we must move to a new and focus oriented paradigm. Instead of expanding more and more on developing inclusive, adaptive, and resilient social protection systems, policy makers, consultants and development agencies' professionals need to focus again on a basic idea – how can the poor and vulnerable better resolve their needs? To answer this question, it is crucial to reevaluate the concept of poverty. Coping strategies employed by people experiencing poverty reveals that being poor entails having limited power in interactions with employers, landlords,

government bureaucracies, and maintaining simple businesses. Active attempts to solve these problems are often proving unsuccessful. In response, individuals may resort to palliative coping techniques, such as experiencing depressive feelings, turning to substance abuse, and repressing thoughts. While these strategies might prove short-term relief, they ultimately contribute to increased stress, poverty, and vulnerability levels (Belle, 2023).

Therefore, addressing poverty and vulnerability requires concentrating on each person and household separately, recognizing first that they are unique with their own characteristics and needs. For centuries, various scientific fields, such as medicine, have progressed through trial and error, assuming that what worked well for some patients could benefit others. The same evolutionary path can be observed in the social sector, where pilots have demonstrated the effectiveness of certain actions and their applicability to diverse populations.

However, in recent decades, significant scientific advancements across disciplines have enabled personalized and unique solutions, now commonly referred to as “precise solutions”. In medicine, for instance, it is understood that cellular and genetic mechanisms causing diseases, allow for personalized treatments based on unique genetic characteristics. As expressed by Estupinya (2016), “Now each case is a different world, and it is no longer an excuse but a reason for investigation”. Similarly, I believe the social sector is transitioning towards this personalized approach, which I dare to baptize as “*precise social assistance*” (Ayala, 2023).

Precise social assistance can be defined as, *the process by which, firstly, it is necessary to understand the limiting factors of the poor*

*and vulnerable in economic, social, and psychological terms. Subsequently, through active participation and collaboration with the individual, a personalized path is constructed to address their short and long-term needs, aiming to uplift them from their current status.* Just as in medicine, where each person is treated as unique, individuals in the social sector require active involvement in understanding their real limitations, constructing their path, and identifying the appropriate programs and services to assist them.

One could argue that precise social assistance bears similarities to what policymakers aim to achieve with graduation strategies, intending to progressively transition social protection beneficiaries out of social assistance. Graduation strategies in the social protection sector target improving the capabilities and livelihoods of those in extreme poverty or vulnerability, enabling them to escape these conditions and be able to have access to sustainable development opportunities. These graduation strategies consist of a combination of components, such as monetary transfers, training, savings, credit, and support with assistive technology, tailored to the needs and preferences of each individual or group (Montesquiou, 2017). Although successful, graduation strategies also present important operational and conceptual challenges:

Operational challenges:

- The lack of coordination among different actors and institutions involved may lead to duplications, contradictions, or gaps in the provision of services and benefits.
- The scarcity of financial, human, and technical resources can limit the coverage, quality and sustainability of interventions, along with monitoring and evaluation capacities.

Conceptual challenges:

- The difficulty of monitoring and accompanying participants may impact their motivation, commitment, and their progress towards graduation, as well as the identification of their needs and preferences.
- The heterogeneity of the results and effects of graduation strategies, may depend on factors such as context, design, implementation, beneficiary profiles, and participation.
- The limitation of the scale and replicability of graduation strategies, may prevent their integration into social protection systems and adaptation to different vulnerable groups and situations.
- Focusing solely on resolving long-term needs, neglecting the short-term needs individuals must address daily that may cause them to move away from the graduation path.

While precise social assistance may have similar challenges as graduation strategies, the former goes beyond graduation. It is an approach in which individuals and households should have the capacity to address, rather than merely cope with, short and long-term needs simultaneously. To achieve this, individuals must overcome the aforementioned challenges, particularly those related to motivation and commitment. Precise social assistance treats individuals as unique entities. In essence, if social protection systems transition to the precise social assistance approach, they will need to incorporate the following characteristics:

- Stimulate demand (citizens) so that they can find suitable and tailored solutions to the challenges and needs they face.
- Expand the social protection system by including as many programs and service

providers as possible. These systems should encompass not only public interventions but also programs and service providers from the private, non-profit, religious, and other sectors (third party) that citizens can turn to for assistance.

- Allow households that are not necessarily poor and vulnerable to participate in the precise social assistance. Emergencies and disasters, whether massive or personal, can lead to a situation of poverty and despair for households that were not in such a situation before the event.
- Simplify the business relationship, meaning the communication between citizens and the expanded social protection system. The access to available programs and service providers should involve following a client-oriented process.

In essence, if a social protection system incorporates multiple programs and service providers that individuals and households with needs can turn to (is accessible to individuals and households in need), if communication is simple and straightforward, if citizens can comprehend their limitations and subsequently identify and select the right programs and services that could assist them, and if the mechanisms allow for a smooth and efficient process, then it can be asserted that the social protection system is evolving into a precise system. The reason behind this is that the likelihood of resolving their needs significantly increases.

In this working paper, I introduced the concept of precise social assistance, hoping it could eventually become the new paradigm for future social protection systems. Only by maintaining a focus on the client and treating each individual as a unique entity, only then can the poor and vulnerable be properly assisted, transforming the social protection





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system into a precise model and greatly enhancing the likelihood of lifting them out of poverty.

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