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CCAMTAC Regional Webinar on

“Social Safety Nets”

Thursday, June 22, 2023

Introduction:

Mr. Norbert Funke, Director, CCAMTAC

Moderation:

Mr. Nurdaulet Abilov, Economic Analyst, CCAMTAC

Presenters:

Ms. Fernanda Brollo, Senior Economist, Fiscal Affairs Department, IMF

Ms. Pamela Dale, Regional Social Policy Advisor, ECARO UNICEF

Interventions:

Mr. Rafael Klivleev, Deputy Head of the Department of Poverty Reduction, Social Protection and Aid, Ministry of Economy and Finance of the Republic of Uzbekistan

Ms. Armenuhi Hovakimyan, Social Policy Specialist, UNICEF Country Office in Armenia

Social safety nets (SSN) contribute to broader social progress and promote a more just and inclusive society by addressing poverty and inequality. They play a crucial role in supporting vulnerable people who face financial hardships in normal times as well as in times of increased uncertainty and high inflation. Therefore, the correct design and efficient implementation of social benefit systems and identifying final recipients of social benefits are important in providing protection and maintaining an adequate level of living standards for vulnerable groups of people.

In the first part of the presentation, Fernando Brollo introduced the concept of SSN and explained its importance for society in general. SSN is a system of non-contributory transfers aimed at maintaining an adequate level of living standards for vulnerable households/individuals and supporting human and physical capital accumulation. She also discussed the framework for assessing SSNs based on their spending adequacy, efficiency and fiscal sustainability. The speaker also presented some figures and numbers on the adequacy and coverage of SSN spending in the Caucasus, Central Asia and Mongolia (CCAM) and the additional spending necessary for achieving the government’s social policy objectives. She also highlighted the channels of spending inefficiency that could arise in the process of allocating social benefits and how this allocation could be improved to strengthen the spending efficiency of SSN. Finally, the speaker presented IMF’s engagement on SSNs issues and external sources that can help undertake analytical work on social protection.



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In the second part of the presentation, Pamela Dale presented the numbers on poverty in Caucasus and Central Asia (CCA) countries and documented its persistent nature. She also discussed the social protection coverage by the categories of recipients of social benefits in CCA countries. In general, she documents low social protection coverage for vulnerable groups of people in CCA countries. She finds that children have the highest poverty rates and unemployment benefits are very limited among others. Finally, Pamela Dale identifies opportunities for future reforms to improve the social protection system for the countries in the region.

After the presentation by the main speakers, there were two discussants who presented country experiences and the implementation of social safety nets. First, Rafael Klivleev presented the recent experience of Uzbekistan on the digitalization, consolidation, effectiveness and coverage of the social protection system. He showed that, due to digitalization, Uzbekistan managed to improve the coverage of the population by social benefits both in terms of efficiency and the number of recipients. Armenuhi Hovakimyan presented the experience of Armenia in reforming the social protection system and how to define a social spending floor. The webinar was concluded by the Q&A session where the speakers and other participants discussed the tradeoff between maintaining an adequate level of social protection in times of high inflation against debt sustainability in government finances.