

Seminar report

“Making the investment case for social protection”

UNICEF Office of Research (OoR), Florence, 18 March 2013

On 18 March, a half-day seminar was organized on "Making the Investment Case for Social Protection". The seminar was based on a discussion paper, commissioned by the Office of Research, on the methodological challenges and lessons learnt from ongoing exercises in this field. UNICEF staff from HQ and Regional Offices engaged in a lively discussion with invited academics, on the most feasible investment case approaches and what UNICEF's role should be in relation to such efforts. Among the issues that were highlighted during the seminar was the need to tailor-make evidence production strategies to the political context and the policy space actually faced by decision makers. Social protection interventions need to be understood as investments with future returns. However, to carry out full cost-benefit analyses of such interventions - a few such attempts have been made and were reviewed during the seminar - is demanding in terms of time, effort and data, while still having to be built on far-reaching assumptions. In some contexts a more feasible approach may be simpler forms of cost feasibility or cost-effectiveness analyses which directly relate to options faced by policy makers.

A half day seminar was organized on 18 March to review findings from the report “*Making the investment case for social protection - Discussion paper on the methodological challenges with lessons learnt from a recent study in Cambodia*” (Cherrier C., Gassmann F., Mideros Mora A., Mohnen P.). The report had been commissioned by the UNICEF OoR and was presented by Franziska Gassmann and Andrés Mideros Mora. The agenda of the seminar and list of participants is attached. The full report is available at the UNICEF OoR website.

The background to the seminar was the need to take stock of different approaches to the building of an investment case for social protection interventions. Impact evaluation studies of specific social protection outcomes (health, nutrition schooling etc.) abound and various costing tools have been developed or are under development. UNICEF, in the past and currently, is involved in many of these efforts. However, when it comes to relating costs to outcomes – i.e. addressing the basic investment case question, “are the costs justified by the value of the impacts?” – there is still a major gap. The fact that impacts are both short-term and long-term, while cutting across various sectors and dimensions, contributes to making this a challenging task.

The Maastricht Graduate School of Governance, with support from UNICEF, had previously undertaken an ambitious attempt to carry out a full cost-benefit analysis of hypothetical social protection interventions in Cambodia, estimating the rate of return. Its methodology builds on impact estimations from household survey data which are subsequently integrated into a dynamic micro-simulation model. From a methodological point of view the experience provides important lessons learnt on viable approaches to address the question related to the investment case for social protection. It is an approach that is coherent with the assumption that social protection should be seen as an investment and not merely as a tool to address current poverty and vulnerability. However, the approach also raises a number of methodological questions that justify careful assessment and discussion. The UNICEF OoR commissioned The Maastricht Graduate

School of Governance to produce a discussion paper on these methodological challenges and on lessons learnt from other ongoing exercises in this field, including from the Cambodia case. This resulted in the paper that was presented at the seminar which was used as a starting point for a discussion of feasible options, including the role of UNICEF in such efforts. The regional social policy advisors of UNICEF took active part in the discussion which created an opportunity for a productive exchange between academic and more operational perspectives.

The discussion during the seminar centered around three main interrelated issues:

- i) limitations and difficulties involved in making a full cost-benefit analysis of social protection interventions;
- ii) political economy aspects and the kind of evidence production that may make a difference for policy making;
- iii) the role of UNICEF and where to concentrate future efforts in terms of building evidence that is useful for decisions on social protection interventions.

Without giving full justice to the rich discussion during the seminar, the following points summarize some of its key conclusions:

- The importance of shifting the narrative on social protection from costs only to both costs and benefits: Overall the seminar commended the report for giving a valuable, up-dated and well researched overview of the state of the art in this field. The merits of attempting to assess social protection interventions as investments with cross-sectorial and dynamic effects were recognized.
- The need to be aware of the limitations of the approach: Awareness is needed of some of the limitations of the cost-benefit analysis approach, including the fact that the studies are costly and not always easy to digest by non-experts. A cost-benefit analysis intends to bring together costs with a broad range of impacts, but is still forced to leave aside important aspects where estimation and/or monetary quantification is out of reach (impacts in terms of social cohesion, child protection, attention to social weights and the value of “education in itself” were mentioned as examples of that). The analysis also has to rest on far-reaching assumptions concerning some estimated impacts, and particularly so if done in a context where data is a constraint and complementary evidence is limited. Estimating impacts based on non-experimental micro-econometrics may also raise questions on direction of causality even if best possible use is made of econometrics techniques such as instrumental variables.
- Evidence production strategy needs to be tailor-made to its context: It was emphasized that different political and socio-economic contexts may call for different evidence production strategies. In some instances a less sophisticated cost-feasibility or cost-effectiveness analysis may be what best responds to the needs of the policy-making process. To identify the actual decision-space that policy-makers are facing, and tailor-make the evidence and arguments in relation to that, was recommended as an approach. Examples and experiences cited during the seminar by the UNICEF regional social policy advisors illustrated the diversity of political economy contexts in this respect. In low-income country contexts, for example, the recurrent impact of instability in livelihoods requires careful consideration and modeling. It was also strongly recommended to engage with stake-holders at an early stage of the research process when this kind of evidence is produced, with a view to increase chances that it will be absorbed and utilised.
- Next steps for UNICEF: UNICEF should continue to engage in different approaches to evidence production related to social protection interventions, from impact evaluation studies to

various forms of cost feasibility and cost efficiency studies, all depending on context. Even without one single approach there is still a need for continued technical support and sharing of experiences across countries in producing these types of evidence. The cost-benefit analysis approach may be further explored in a context where there is particular demand for that kind of evidence and preferably where the situation in terms of data access and complementary evidence is favourable. For this kind of more ambitious and research-intensive efforts, partnerships with other actors (World bank, ILO etc) could be explored.

“Making the Investment Case for Social Protection”

Seminar
18 March 2013
13.30 – 18:00

UNICEF Office of Research, Florence/Italy

VENUE: Hotel Brunelleschi, Piazza Santa Elisabetta 3, San Michele Conference Room

- 13:30** Welcome and introduction
- 13.45** Dr Franziska Gassmann and Dr Andrés Mideros Mora
Presentation of “*Making the investment case for social protection- Discussion paper on the methodological challenges with lessons learnt from a recent study in Cambodia*”
- 14.30** Discussion of the report, with introductory comments by
-Dr Anthony Hodges (tbc)
-Gaspar Fajth and/or Mariana Stirbu, Regional Advisors UNICEF
- Coffee-
- 16.15** UNICEF and the making of investment cases, experiences and future directions
-Introduction by UNICEF/DPS
- 17.45** Conclusion

Background material:

-Cherrier C., Gassmann F., Mideros Mora A., Mohnen P. , *Making the investment case for social protection - Discussion paper on the methodological challenges with lessons learnt from a recent study in Cambodia* (draft 18 feb 2013)

-Link to the full Cambodia study:

http://mgsog.merit.unu.edu/publications/external_policy_reports/2012_rates_return_cambodia.pdf

No.	Names (first and last)	Organization	Position
1	Armando Barrientos	World Brooks Poverty Institute, Manchester University	Professor and Research Director
2	Roberto Benes	UNICEF MENA (Middle East and North Africa Region)	Regional Adviser Social Policy
3	Jasmina Byrne	UNICEF Office of Research, Innocenti	Child Protection Specialist
4	Yekaterina Chzhen	UNICEF Office of Research, Innocenti	Social and Economic Policy Specialist
5	Marlous De Milliano	UNICEF Office of Research, Innocenti	Social and Economic Policy Consultant
6	Chris De Neubourg	UNICEF Office of Research, Innocenti	Chief Social and Economic Policy
7	Gaspar Fajth	UNICEF ESARO (Eastern and South African Region)	Regional Adviser Social Policy
8	Franziska Gassmann	Maastricht School of Governance	Senior Researcher
9	Peter Gross	UNICEF New York	Child Protection Specialist
10	Maria Herczog	Esterhazy College, Budapest / UN Committee on the Rights of the Child	Associate Professor / Member
11	Anthony Hodges	Oxford Policy Management	Associate/ former Social Policy Adviser, UNICEF WCARO
12	Goran Holmqvist	UNICEF Office of Research, Innocenti	Associate Director, Strategic Research
13	Maike Huijbregts	UNICEF Mozambique	Chief Child protection
14	George Laryea- Adjei	UNICEF Pretoria	Chief Social Policy
15	Frances Lund	University of KwaZulu- Natal (South Africa)	Professor
16	Bruno Martorano	UNICEF Office of Research, Innocenti	Social and Economic Policy Consultant
17	Andrew Mawson	UNICEF Office of Research, Innocenti	Chief Child Protection
18	Andres Mideros Moras	Maastricht school of Governance	PhD Fellow
19	Luisa Natali	UNICEF Office of Research, Innocenti	Social and Economic Policy Consultant
20	Clare O'Brien	Oxford Policy Management	Senior Consultant Poverty and Social Protection
21	Niloufar Pourzand	UNICEF Indonesia	Chief Social Policy and Monitoring
22	Keetie Roelen	Institute of Development Studies	Research fellow
23	Sonia Ruiz Brunschwig	UNICEF CEECIS (Central and Eastern Europe and the Commonwealth of Independent States)	Regional Adviser Social Policy
24	Mariana Stirbu	UNICEF WCARO (West and Central Africa Regional Office)	Social Policy and Economic Specialist
25	Andrea Verdasco	UNICEF Office of Research, Innocenti	Consultant
26	Juan Villa Lora	World Brooks Poverty Institute	PhD Researcher

27	Jennifer Yablonski	UNICEF New York, Division of Policy and Strategy	Social Protection Specialist
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