

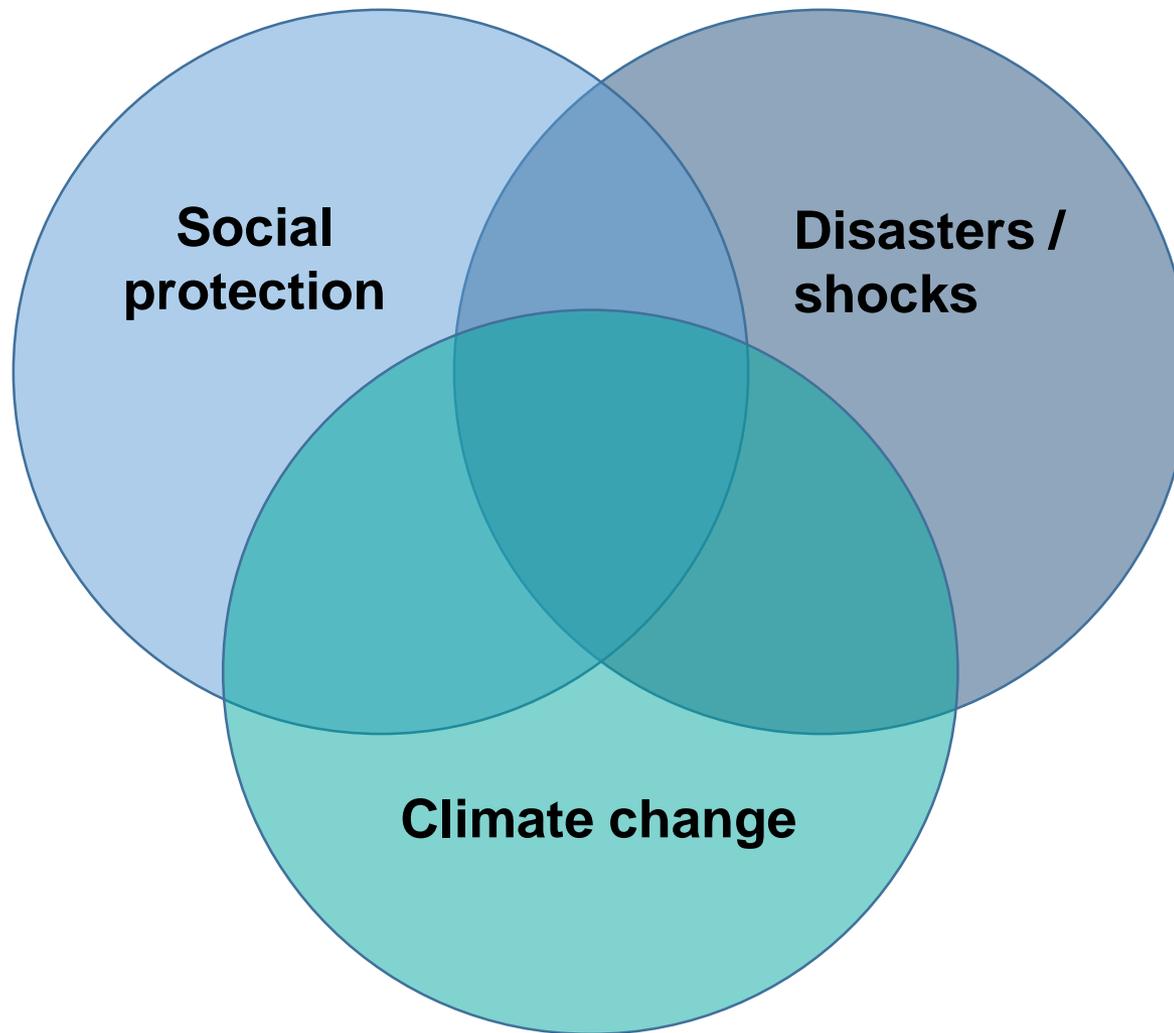
Social Protection and Climate Change



An examination of several social protection interventions in
the context of the fight against climate change

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Nexus of social protection and climate change



COP 21, Paris Agreement

1 Loss and damage

Adverse effects (material and other well-being) of climate variability and climate change that occur despite efforts

2 Just transition

“of the workforce” as countries make economic and other reforms toward greener economies and societies

Protecting people and planet



Livelihood protection and restoration:

Cause A: Degraded environment or more volatile climate

Cause B: Climate mitigation efforts (pro-climate policies)



Climate protection and restoration:

Method A: GHG prevented through altered consumption/production

Method B: GHG sequestered through conservation

Intersection:



	Degraded environment, volatile climate	Pro-climate policy
GHG prevented		Egypt
GHG sequestered		Brazil, China
No envisaged positive effect on climate	Sahel, Philippines	

Intersection:

Loss and damage



Just transition

Degraded environment,
volatile climate

Pro-climate policy

GHG prevented

Egypt

GHG sequestered

Brazil,
China

**No envisaged
positive effect
on climate**

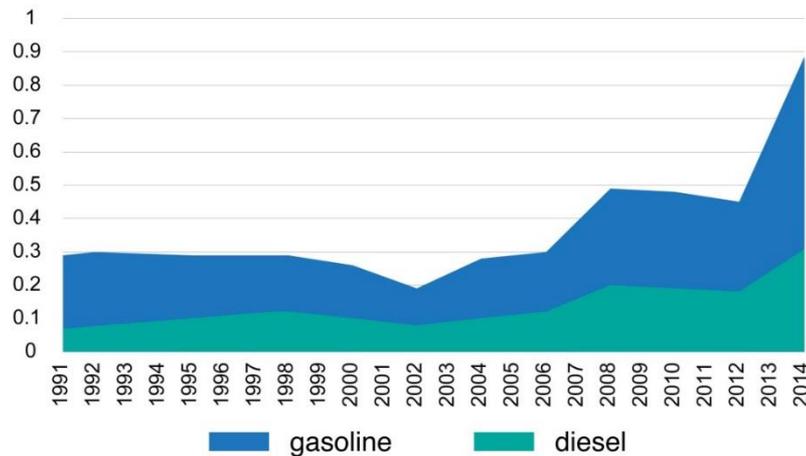
Sahel,
Philippines



Egypt

Increasing fuel prices

Pump prices for gasoline and diesel fuel in Egypt (in US\$ per liter)



Source: World Development Indicators using International Energy Agency (IEA) data, gaps between data points have been bypassed.

- Spending on fuel subsidies reaches $\frac{1}{5}$ the public budget (2013)
- Regressive “social” spending regime
- Wasteful consumption (and CO₂ emission) and fraud
- End of subsidy, without rationing
- Prices rise considerably, for everyone

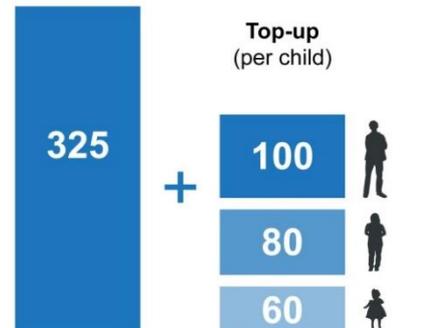
Egypt

Offsetting cash transfers

Transfer amounts of the Takaful and Karama schemes (in Egyptian pounds)

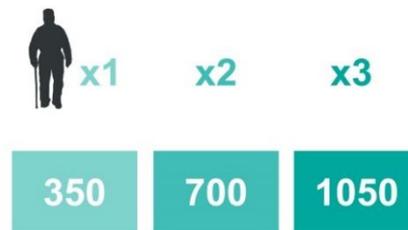
Takaful

Base payment
(per household)



Karama

Benefit payment
(per household)



Source: Presentation of the Arab Republic of Egypt, Ministry of Social Solidarity, November 2014.

- 15 per cent of savings dedicated to offsetting measures

- Old-age pension (universal)
- Targeted (PMT) base transfer, with variable benefits for children

• Benefits:

- Older person receives US\$ 5.50 PPP a day
- Family of five receives ~US\$ 10 PPP a day (or ~US\$ 2 PPP per person per day)

Egypt

Climate effects

- Wasteful and overall consumption of fossil fuels reduced
- Yields reduced CO₂ emissions

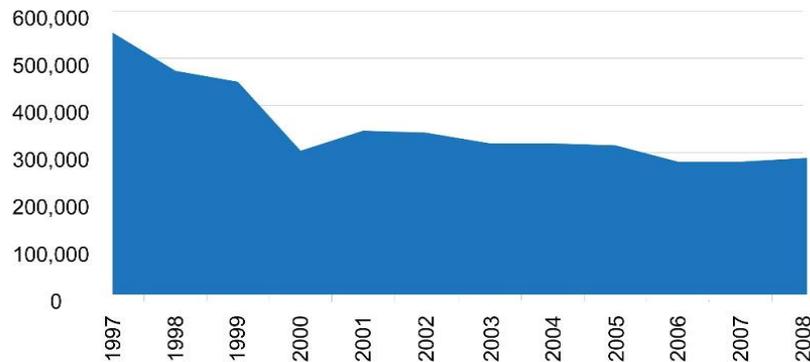
Social effects

- Transfers above international poverty line (US\$ 1.90 2011 PPP)
- Additional welfare compromised by higher fuel prices

China

Job losses from logging ban

Employment in state-owned forestry enterprises in Heilongjiang province (number of people), by year.



Source: Edstrom et al., 2012, "The Natural Forest Protection Program in China: A Contingent Valuation Study in Heilongjiang Province with data from China's Forest Statistical Yearbooks, 1997-2008."

- Human activity threatening China's forests
- CO₂ sequestration and barrier against soil erosion lost
 - 1998 floods
- Protected areas designated, bans logging and other activities
- Nearly 1 million lose their jobs; another 120 million rural residents affected

China

Employment benefits / services

Other offsetting measures

SLCP transfers and values, by region and year. Figures in Chinese Yuan unless otherwise indicated.

Yellow River

1999	2002	2004
	750	750
	300	300
1.5 tonnes rice	1.5 tonnes rice	2,100



Yangtze River

1999	2002	2004
	750	750
	300	300
2.25 tonnes rice	2.25 tonnes rice	3,150

- Forest Conservation Program support for:
 - SEOs (for lost revenue)
 - Employees (lost income and services)
 - Forest Conservation Units
- Sloping Land Conversion Program
 - Participants from protected and other areas receive cash for conservation activities
 - “Health and education” top-up introduced in 2002
 - Grain subsidy converted to cash in 2004

Source: Delang, C. O., W. Wang, 2013, “Chinese forest policy reforms after 1998: The case of the Natural Forest Protection Program and the Slope Land Conversion Program.”

China

Climate effects

- FCP/SLCP:
 - 27 million hectares of former farmland and barren land reforested
 - Distinction between effects of restrictions versus incentives?

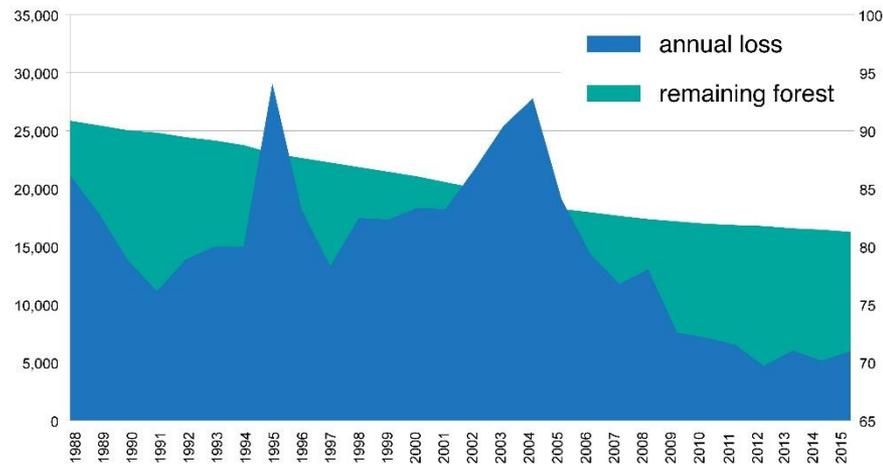
Social effects

- FCP:
 - Majority of forest workers transitioned to new jobs, or retired (publically organized)
- SLCP:
 - Participation *initially* more lucrative than farming for many household
 - “Optional” participation in restricted areas?
 - Owning more land yields more income

Brazil

Protracted, although slowed, forest loss

Annual forest loss (in km²) and forest cover remaining (per cent of 1970 cover).



Source: Butler, R. Calculating Deforestation Figures for the Amazon (2016).
Available at: http://rainforests.mongabay.com/amazon/deforestation_calculations.html

- 770,000 km² of Brazilian Amazon lost to deforestation
- Industrial livestock and other development responsible
- Despite progress, poverty persists
- Makes even unsustainable activities attractive for poor

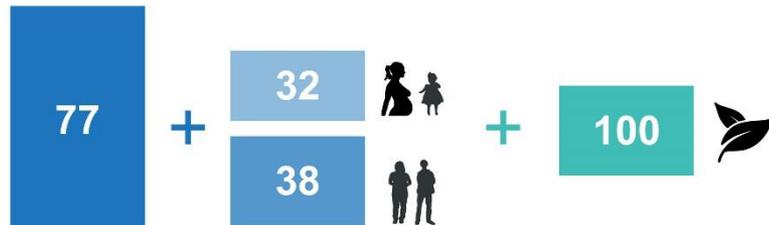
Brazil

Transfers to poor, extreme poor for HD and conservation

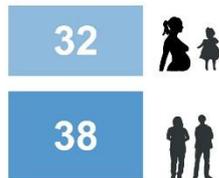
Monthly transfer values by income group (in Brazilian Reals)

Bolsa Família

Extreme poor



Poor



Bolsa Verde

- *Bolsa Família* success
 - “28 per cent of the poverty reduction since 2002” - GoB
- *Bolsa Verde* conceived to provide top-up to extreme poor *BF* participants
- Tied to performance of sustainable activities
 - vary by area, e.g. gather fruits, tap latex, artisanal fishing, handicrafts, etc.
- 93% of participants live in protected areas (2014)

Note: *Bolsa Verde* payments are made quarterly (three times the monthly benefit)

Source: ILO, 2016, “Protecting people and the environment:

Lessons learnt from Brazil’s *Bolsa Verde*, China, Costa Rica, Ecuador, Mexico, South Africa and 56 other experiences.”

Brazil

Climate effects

- Forest loss slowed considerably since early 2000s, continues.
- Distinction between effects of restrictions versus incentives
- Role of *Bolsa Verde* is likely marginal amid wider climate policy mix

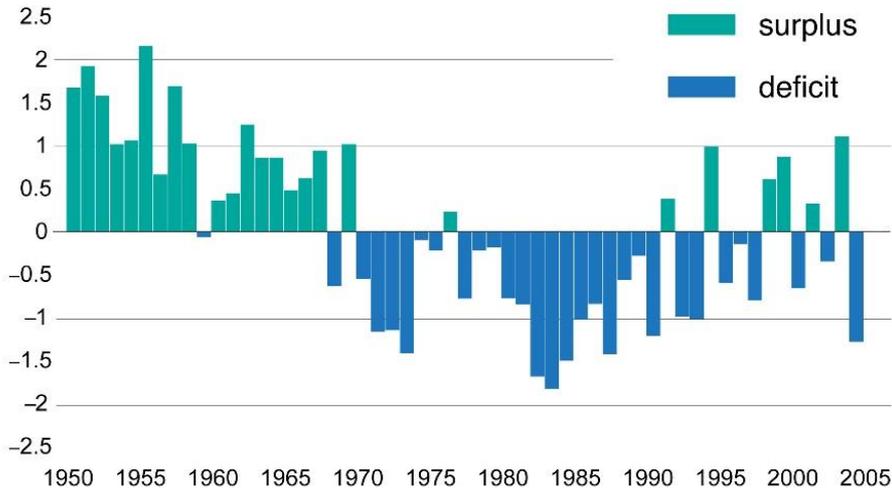
Social effects

- *Bolsa Verde* had reached 54,000 extreme poor households by 2014
- *BF/BV* family of 5 US\$ 187 PPP, monthly (US\$ 1.25 PPP per person, per day)
- Additional welfare compromised by lost income from land use restrictions
- Distribution of conservation responsibilities?

Sahel

Drought, flooding and unpredictability in the Sahel

Mean annual precipitation, as per cent of 1950-2004 annual average.



Source: Joint Institute for the Study of the Atmosphere and Ocean (JISAO)

- Severe weather has led to food shortages
 - Thousands dead
 - Others dependent upon food assistance
- National and international focus on relief
 - Upgrading agricultural methods
 - Grain stocks
- Many enacting new social protection strategies

Sahel

Strategies recognize role of SP vis-à-vis climate change

NIGER

“Niger commits to a vision of ... a social protection policy ... to face environmental and climate-related risks.”

BURKINA FASO

“Social protection aims to ... reduce the vulnerability of the population facing climate and environmental risks ...”

MAURITANIA

“... to strengthen the mechanisms to mitigate the effects of climate change on food and nutritional security of vulnerable communities.”

Adapted from the original French.

- “Climate-ready” social protection

CLIMATE FACTOR 1

- Climate vulnerabilities in ID/selection

CLIMATE FACTOR 2

- Emergency protocols for emergency SP expansion

CLIMATE FACTOR 3

- Index-based triggers for automated top-up pmts

CLIMATE FACTOR 4

- Contingency financing arrangements

Sahel

Climate effects

- ?

Social effects

- Accelerated relief following climate-related and other shocks
- More cost-effective delivery over new, ex-post interventions (freeing up expenditure for other social uses)

Philippines

Devastation of Typhoon Haiyan in 2013



Photo: Kevin Frayer/Getty Images

- Risk of increased extreme weather due to climate change
- In 2013, Haiyan claimed 7,000 lives
 - 6 million others affected (many poor)
- \$217 million in damage to infrastructure and agriculture
 - 275,000 houses damaged; 150,000 completely destroyed

Philippines

Emergency employment for reconstruction, linked to SP.



Photo: ILO

- Integrated Livelihood and Emergency Employment Program (DILEEP)
 - Participants paid minimum wage
 - OSH training
 - Skills development
 - +
 - Enrolment in health, accident insurance (contributions at Government charge)

Philippines

Climate effects

- ?

Social effects

- 80,000 beneficiaries reached
 - Displaced persons, women, PWDs, etc.
- Social protection coverage and contribution base expanded

Takeaways

1

Social protection offsets losses from climate change effects and adverse impacts of pro-climate policies on people.

2

Social protection is “enabler” for take-up of pro-climate policies with adverse social impacts.

3

Existing social protection systems reduce the time and cost associated with relief efforts; their establishment is urgently needed.

4

By enhancing emergency employment interventions, crises serve to expand coverage, contribution base.

5

Development and testing of interventions needed to measure and net welfare and environmental impacts when multiple policies at play.

ILO Guidelines on transition to green economy

Social protection policies (sampling)

- “safeguarding populations against the impacts of economic and environmental vulnerabilities and shocks”
- “integrate SP into ... responses to environmental impacts and challenges of the transition for those likely to be negatively affected, in particular workers”
- “promote SP mechanisms that contribute to offsetting the impacts of climate change”
- “make use of employment guarantee schemes and public works”
- “in adoption of clean energy measures, consider compensating low income households”

Social Protection and Climate Change



For more information, visit:

climatechange.social-protection.org

Thank you.