



Health, Education, Social Protection

Strategies to implement social justice

The challenge

Poor population groups are especially vulnerable to risks such as illness, old age, incapacity or disability. Natural disasters, too, can often have fatal consequences for these groups. They generally have only limited capacities to protect themselves from these social or economic risks and their impacts, and in acute emergencies, they may be forced to sell their means of production, withdraw their children from school if attendance incurs mandatory charges, or go without adequate food or medical treatment.

Social protection is therefore a key element of a comprehensive poverty reduction strategy. It facilitates social justice through risk management, sustainable financial structures, pension provision, and social transfers. It also ensures that poor population groups have access to education, health care and adequate food.

Our approach

GIZ supports partner countries' own efforts to establish and develop social protection systems. We advise governments on the development and establishment of appropriate national strategies via processes which generally involve the poor population groups themselves, civil society and the private sector.

We also help governments to develop public and private schemes, such as micro-insurance products, for informal sector workers and particularly vulnerable groups. Informal social protection systems are supported as well, and integrated into the general system.

In our activities, we take account of the synergies with other thematic areas and draw on experience with broad-impact economic growth and pro-poor governance.

Our services

Our range of services encompasses the following areas:

- **Risk management strategies:** Risk management tools protect poor population groups in particular from sliding into extreme poverty as a result of crises. Starting points are risk analysis and linkage of the various risk management tools. We therefore promote micro-insurance products, for example, and their integration into broader social protection systems.
- **Financing mechanisms for social services:** Equitable access to social services safeguards sustainable broad-impact growth. For example, fair and sustainable structures of health financing do much to improve health and avoid the out-of-pocket payments which cause impoverishment. We assist governments and other stakeholders to establish social and community-based health insurance schemes.
- **Social transfers:** Social transfer programmes play an important role in meeting the basic needs of extremely poor households with limited capacity for self-help. We promote the introduction and expansion of social transfer programmes as an element of social policy. This can include needs-based social transfers, child benefit or education vouchers.
- **Pension provision:** The ageing of our societies is a global challenge with substantial implications. We help governments to prevent age-related poverty through the provision of adequate social benefits. We also provide advice on the sustainable implementation of equitable and properly funded pension insurance systems.



The benefit

Well-functioning social protection systems improve the living conditions of poor population groups and increase their self-help capacities. Social justice through equality of opportunity and participation in economic and social development ultimately promote the stability and security of society on a lasting basis – both at the broader political level and, on a smaller scale, in families.

GIZ can draw on a wealth of practical experience in this context, as Germany is the country with the world's oldest social protection system. As a federal enterprise, we have particularly good access to experts from the specialised ministries, institutions incorporated under public law and private sector actors such as insurance companies. This guarantees that our clients benefit not only from specialist expertise but also from sound practical experience based on relevant strategies and processes.

An example from the field

Some 230 million people live in Indonesia, 17 per cent of them below the poverty line. Almost two-thirds of the population work in the informal sector. Due to the socio-economic conditions in Indonesia, the development of a comprehensive system of social protection is a complex challenge. On behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ), we support Indonesia's government with the adoption of national legislation, targeting various levels in this context. At the Ministry of Planning, we provide advisory services at the highest political level, with a focus on strategies to steer the entire reform process.

We provide technical support, first and foremost, to the specialist ministries, notably in relation to social health insurance. We also focus on building the capacities of participating institutions.

The social insurance scheme implemented during the first phase of the reform should reach 60 per cent of the public by 2010. On behalf of BMZ, GIZ supported its introduction in Indonesia through the provision of legal and technical advice. Key success factors – besides the political will of the government – are a comprehensive review of existing models of social protection and good coordination of all stakeholders involved in the reform process. Here are just some of the results achieved to date:

- The National Development Planning Agency has identified a number of reform steps in relation to social protection based on a welfare state model and is implementing the reform on the basis of a road map that was developed jointly.
- The interministerial National Social Security Council was established with support from GIZ.
- The creation of a comprehensive regulatory framework for social protection reforms was established as a political priority in order to ensure the introduction of social health insurance by the end of 2009, as called for by the Indonesian Constitutional Court.
- Development of capacities for the implementation of an appropriate pension insurance model has taken place in the relevant ministries.

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