



POLICY BRIEF 1

MOVING TOWARDS GENDER RESPONSIVE AND SOCIALY INCLUSIVE SOCIAL PROTECTION



POLICY BRIEF 1 highlights the policy and budgetary gaps in realizing gender responsive and socially inclusive social protection in Nepal. This brief draws from the study ‘Gender Assessment of Social Protection Policies in Nepal,’ which was commissioned by UN Women Nepal in 2021.

The study reviewed relevant policy provisions to understand the extent to which social protection measures were informed by a gender equality and social

inclusion (GESI) perspective. It was led by Women ACT as part of a UN Women project on ‘Strengthening Women’s Access to Sustainable Livelihoods in the COVID-19 Context.’

This policy brief summarizes the study’s findings, which analysed the accessibility, relevance, effectiveness and inclusivity of social protection measures to realize the strategic interests and rights of those most marginalized.

“ GDP loss or the contraction of the economy is generally associated with a reduction in tax revenue and fiscal space that impacts public expenditure. In many developing economies, budget allocation for social sectors (education, health and social protection) and gender follows the ‘left over’ principle – implying that resources are allocated to these sectors after prioritizing sectors such as energy, infrastructure, interest payment, wages/ salaries, good and services. The pandemic-related contraction of the economy is likely to have a deleterious impact on the already low (or inadequate) budget allocations for women.”

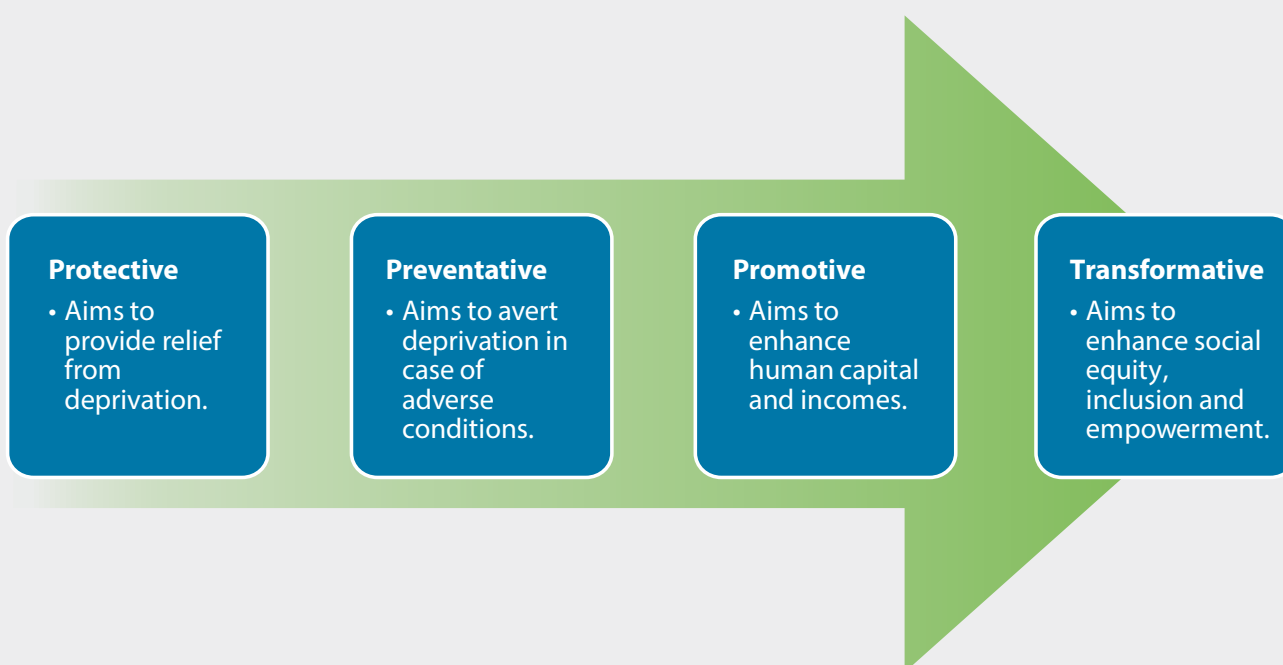
- “Feminist Analysis of the Socioeconomic Impact of COVID-19 in Nepal,” a UN Women study conducted in 2022.

The COVID-19 pandemic brought to the fore the importance of resilient, effective and inclusive social protection policies, programmes and budgets. Countries with strong social protection measures and institutions were able to mobilize and provide their citizens with the necessary services during the pandemic, ensuring adequate safety nets to offset the emerging socioeconomic challenges. The pandemic highlighted gaps in social protection coverage for people in countries that lack comprehensive policies and robust systems,

which push marginalized populations into deeper cycles of poverty and deprivation.

Importance of Social Protection Systems

Social protection systems promote inclusive economic growth by mitigating poverty, inequality and vulnerability. They offer a range of services that essentially include four functions:



Source: Devereux, Stephen and Sabates-Wheeler, Rachel. (2004). "IDS Working Paper 232: Transformative social protection. Institute for Development Studies. <https://www.ids.ac.uk/download.php?file=files/dmfile/Wp232.pdf>

These social protection functions are embedded in a human rights framework and intrinsically linked to the UN's Sustainable Development Goals (SDGs). The types of policy instruments used to implement them vary according to the objectives of the social protection scheme, which may range from the need to mitigate

vulnerabilities and marginalization; alleviate poverty and impoverishment; enhance human capital; empower women and girls; improve livelihoods and promote decent work conditions; or provide a safety net to fend adverse political, natural or socioeconomic crises and shocks.

Social Protection – SDG Linkages and Types of Policy Instruments

Social protection within the 2030 Agenda is embedded within the SDGs, specifically five complementary targets that promote universal and equitable social protection systems:

Goal 1 No Poverty

SDG Target 1.3 | Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable.

Goal 3 Good Health and Well-Being

SDG Target 3.8 | Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.

Goal 5 Achieve Gender Equality

SDG Target 5.4 | Recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate.

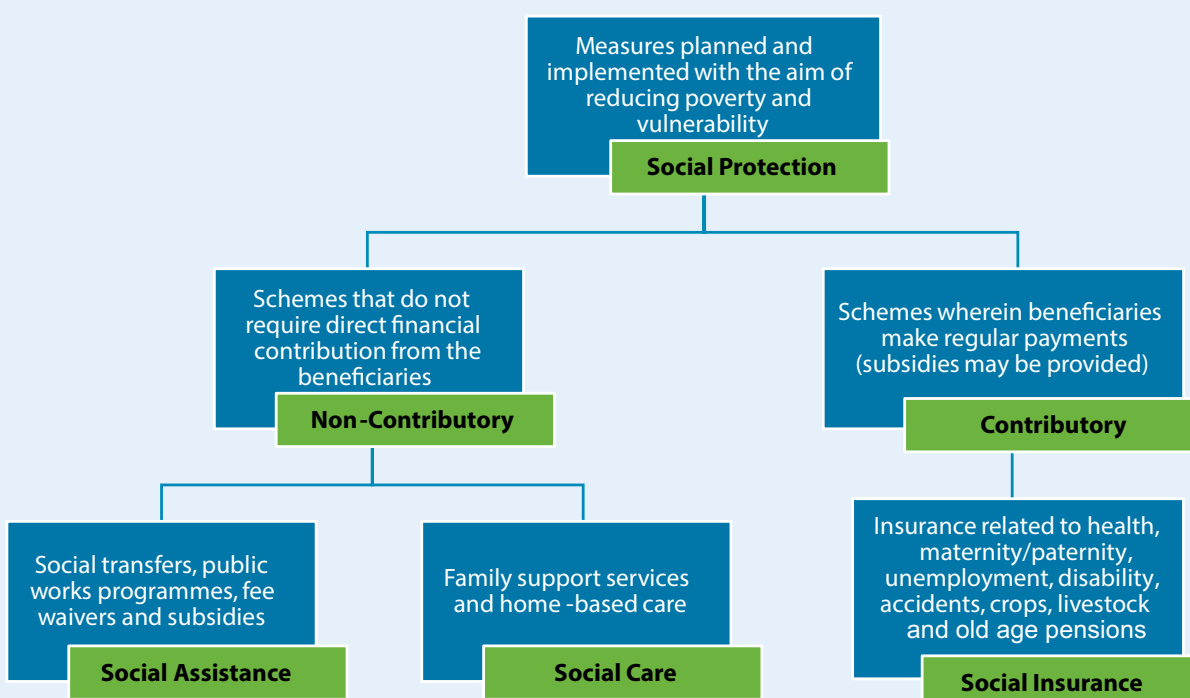
Goal 8 Decent Work and Economic Growth

SDG Target 8.5 | By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

Goal 10 Reduced Inequalities

SDG Target 10.4 | Adopt policies, especially fiscal, wage, and social protection policies, and progressively achieve greater equality.

TYPES OF POLICY INSTRUMENTS



Source: Institute of Development Studies and International Development Department, University of Birmingham. (2019). Social Protection Topic Guide.

Social protection measures also include labour-related policies and interventions. These are further bifurcated into two broad categories: active and passive. Active labour-related policies include those specific to work sharing, training and provision for job search facilities, such as employment exchange services. Passive

interventions relate to maternity or paternity benefits; childcare provisions; injury compensations; compliance with labour laws; and workplace policies, such as the prohibition of child labour, exploitation and sexual harassment in the workplace.

SOCIAL PROTECTION LANDSCAPE IN NEPAL

“Approximately 32.9 per cent of the population was covered by at least one social security benefit in FY 2020-21. The total expenditure of social protection programmes in the same fiscal year was approximately 210 billion Nepalese rupees, equivalent to 4.9 per cent of the gross domestic product (GDP) and 16.6 per cent of total government expenditure. Despite the progress, about 20.1 million Nepalis still remain without social protection.”

–“Extending social protection for all in Nepal: An analysis of protection gaps,” an International Labour Organization study conducted in 2023.

Nepal first introduced social pension (cash grants) for the elderly in 1995. Similar grants were extended to other vulnerable population groups, such as widows aged 60 and above and people with disabilities, in 1996. Since FY 2008/09, monetary allowances were extended to single women and endangered ethnicities. In the successive years, the monetary value of these allowances increased. The beneficiary base was also extended to reach larger segments of the population by relaxing the eligibility criteria to qualify for these social benefits. Nepal’s 2015 Constitution guarantees social and economic rights to Nepali citizens and recognizes social security as a right to all citizens¹. The social protection provisions in the constitution can be grouped into three broad categories: 1) citizenship-based (universal) rights; 2) special rights for marginalized and vulnerable citizens; and 3) labour rights.²

A major shift in social protection policy in Nepal was the ratification of the Contribution-Based Social Security Act, 2074 (CSSA) in 2017. It aims to ensure the right to contributory social security for all workers in the country. The International Labour Organization’s (ILO)

SOCIAL SECURITY ACT, 2075 (2018)

The Social Security Act (SSA), 2075, approved by Parliament in 2018, has included definitions of different groups eligible for social protection, such as senior citizens and people with disabilities or indigent, and has also defined ‘helpless single women’ as “those women (60 years and above) who have no basis, income source or property for livelihood, are incapacitated and helpless having income less than that specified by the Government of Nepal.” Under the senior citizen allowance, the act recognizes issues of intersectionality and provisions that Dalit and/or single women and senior citizens are eligible for the allowance after age 60, whereas other senior citizens are eligible after age 70. The act provides that the following groups are eligible social security allowance: senior citizens, indigent, incapacitated and helpless people, ‘helpless single women,’ people with disabilities, children and citizens unable to take care of themselves. Women are only mentioned as a special category of beneficiaries under the senior citizens and single women categories.

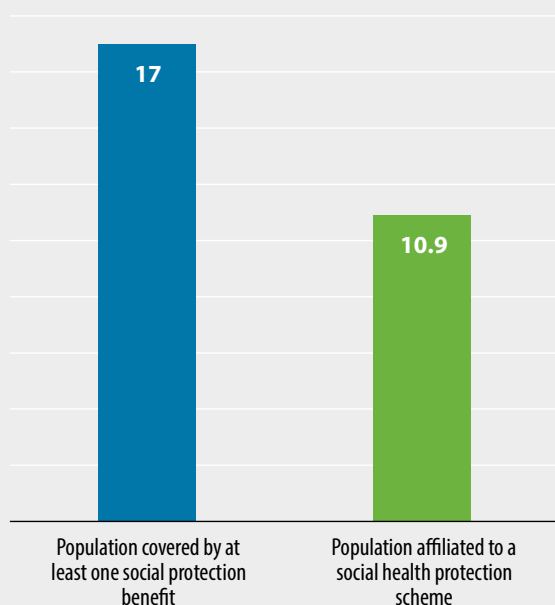
1 Article 43 of the Nepal Constitution states the “Right to social security: The indigent citizens, incapacitated and helpless citizens, helpless single women, citizens with disabilities, children, citizens who cannot take care themselves and citizens belonging to the tribes on the verge of extinction shall have the right to social security, in accordance with law.”

2 Niti Foundation. (2019). Policy Landscape of Social Protection in Nepal. <http://nitifoundation.org/wp-content/uploads/2019/07/Policy-Landscape-of-Social-Protection-in-Nepal-Web.pdf>

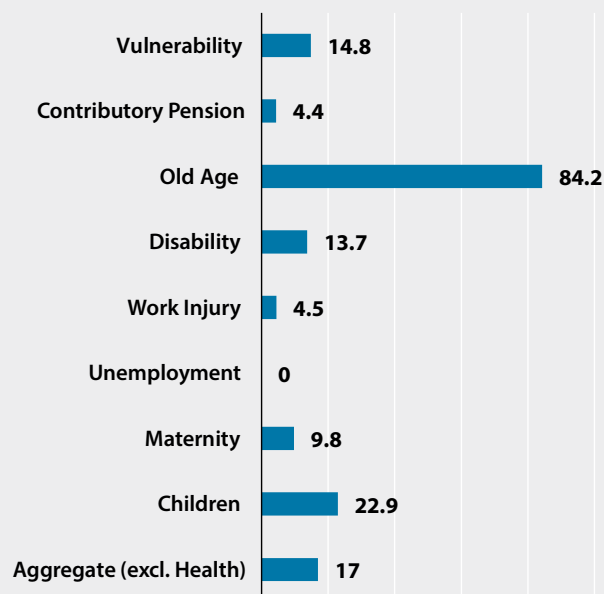
World Social Protection Data Dashboards maintain data on SDG indicator 1.3.1 on effective coverage. The information suggests that despite proactive policies and investments, only 17 per cent of the population is covered under at least one social protection benefit. Nepal's social health protection programme covers 10.9 per cent of the population. The data on effective coverage suggest that old age benefits reach the highest proportion of the population, benefiting 84.2 per cent elderly. In contrast, coverage for maternity benefits is as low as 9.8 per cent and 14.8 per cent for vulnerable groups.

The most recent ILO study on the status of social protection in Nepal highlights the huge difference in coverage on protection against different risks across the life cycle of men and women and between specific groups. The report states that a higher percentage of elderly people have access to social security benefits – a coverage rate of nearly 80.2 per cent in 2021. During the same year, approximately 65.7 per cent of children in Nepal were provided in-kind support. However, protection against work-related risks was limited to only a fraction of workers concentrated in the formal sector. Health protection measures, budget and coverage was found to be inadequate, and only 0.8 per cent of mothers with newborns had access to income protection.³

Social Protection Coverage in Nepal (%)



Coverage by Category of Social Protection (%)



Source: ILO. World Social Protection Data Dashboards.

SOCIAL PROTECTION SCHEMES, BUDGET ALLOCATIONS AND IMPLEMENTING AGENCIES

The Social Security Act, 2018 provides the legal foundation for the government's cash transfer programmes. There are approximately 76 schemes across 29 different programmes, which are being implemented through 11 different government ministries or agencies. The objective, type of beneficiary targeted, outreach and per capita expenditure vary between schemes. There has been

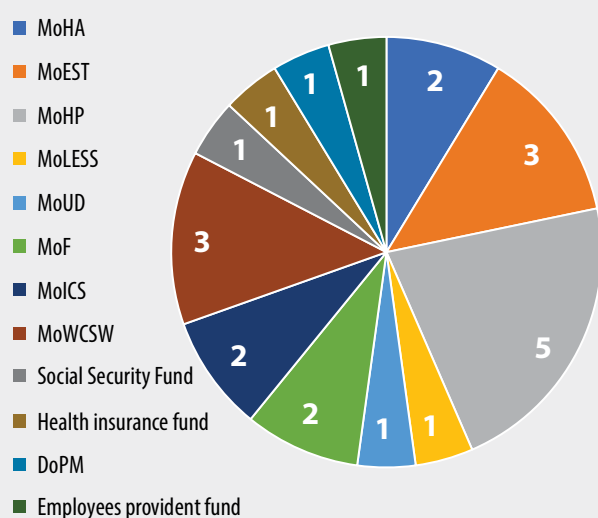
an incremental increase in the social protection outlay from NPR 6 billion in 2014-15 to NPR 100 billion in 2021-22. The allocated expenditure for retirement benefits, which normally go to retired government workers, absorb close to 1.41 per cent of the GDP. Social security benefits, which primarily benefit the elderly, widows and single women, absorb 1.71 per cent of GDP. The Ministry of

3 ILO. (2023). Extending social protection for all in Nepal: An analysis of protection gaps.

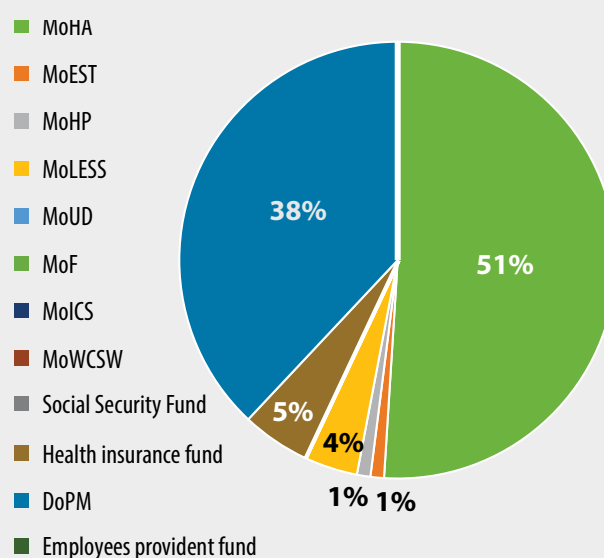
Home Affairs (MoHA) implements two schemes: the Social Security Act (SSA) related allowances and relief support interventions. These two comprise almost 51 per cent of the total social protection outlay in Nepal (FY 2019/20). Around 38 per cent of the budget is booked under the public sector pensions, retirement gratuities and other benefits programmes under the Department of Pensions Management (DoPM), benefiting 250,000 pensioners. The

Ministry of Education, Science and Technology oversee three key schemes aimed towards promoting human capital development, reaching a huge segment of the country's youth. Combined, these constitute only 1 per cent of Nepal's social protection budget. Meanwhile, the independent health insurance fund provides contributory-based health insurance benefits to about 2.7 million individuals.

Distribution of Social Protection Schemes (number)



Social Protection Budgets of Ministries (%)



Source: Women ACT. (2021). Gender Assessment of Social Protection Policies in Nepal. (Unpublished)

Note: The acronyms refer to the following ministries: Ministry of Home Affairs (MoHA); Ministry of Education Science and Technology (MoEST); Ministry of Health and Population (MoHP); Ministry of Labour, Employment and Social Security (MoLESS); Ministry of Federal Affairs and General Administration (MoFAGA); Ministry of Urban Development (MoUD); Ministry of Finance (MoF); Ministry of Industry, Commerce and Supplies (MoICS); Ministry of Women, Children and Social Welfare (MoWCSW); and the Department of Pensions Management (DoPM).

SOCIAL PROTECTION POLICIES AND BUDGETS FROM AN EQUITY PERSPECTIVE

A gender-responsive and socially inclusive social protection system can have a significant impact on gender equality, as well as women and girls' empowerment and opportunities. It also helps promote an inclusive and equitable society. A gendered analysis of social protection outlay within Nepal's 2019/20 expenditure budget revealed the following findings.

- **Distribution of social protection programmes: numbers versus budgets.** The highest concentration of social protection programmes is under the MoHP. However, these comprise only 1 per cent of the total

social protection outlay. The largest proportion of social protection budget (51 per cent) is under the MoHA, which implements two schemes.

- **Gender-targeted programmes and budget trends.** Social protection programmes designed specifically for women amount to a total of NPR 358.2 million. This excludes the budget allocated towards the 'single women allowance' within the SSA and girls' scholarships. The government allocates NPR 101.2 million for the Safe Motherhood Programme, NPR 256.7 million for the Mother and Child Nutrition

Programme and NPR 0.3 million for the President's Women's Upliftment Fund. Combined, the three make up only 0.28 per cent of the total social protection budget for FY 2019/20. The monthly benefit for old age, widows and elderly women (OAWEW) increased from NPR 500 per month to NPR 1,000 per month in FY 2016/17 and then doubled again to NPR 2,000 per month in the FY 2019/20.⁴

- **Social protection coverage.** Nearly 33.7 per cent of women and 32.1 per cent of men have access to at least one social protection cash or in-kind benefit in Nepal (ILO 2023). Female beneficiaries are overrepresented due to gender-targeted schemes, such as single women allowances and maternity-related programmes; the data is therefore misleading. In all other mixed beneficiary interventions (i.e. those that include both men and women), the proportion of men is significantly higher and “*prominent inequalities are observed in access to support at working age, a reflection of the barriers women face in accessing decent jobs that are associated with coverage by contributory schemes.*”⁵
- **Limitations in contributory social security measures and access barriers.** Women are underrepresented in employment, as most are concentrated in the unregulated informal sector. According to 2019 data

from the Central Bureau of Statistics, almost 90.5 per cent of Nepal's female workforce is concentrated in informal employment. These workers fall outside the ambit of contributory social security measures. Proactive policies and programmes are therefore needed to ensure these provisions are extended to female and male workers in the informal economy.

- **Limited access to social security allowances.** Targeted social security allowances support a number of a specific disadvantaged groups in Nepal, but among women they are primarily confined to those who are single and/or elderly. Among the social security allowances currently offered under the SSA (with seven specified categories of beneficiaries), only two allowances – for single and/or widowed women – have specific gender targeting or explicitly mention females as a special category of beneficiaries. The rest of the categories, although disproportionately impacting women and girls, do not include an explicit mandate with regard to gender equality and social inclusion (GESI) or gender-responsive budgeting principles.⁶
- **Gender policies that guide social protection targeting.** Of the 11 ministries responsible for social protection service delivery, only a few have an explicit GESI policy or strategy.

“*The systems approach to social protection is the key to recovery efforts. The current COVID-19 crisis has once again proved the importance of comprehensive and shock-responsive social protection systems in economic and social development. The combination of contributory and non-contributory schemes and programmes, interlinked in their design and function, have been generally recognized as the way forward to achieving universal social protection. Specifically, the International Labour Organization's (ILO) systems approach, aligned with international labour standards, previews basic guarantees to ensure at a minimum that, over the life cycle, all in need have access to essential health care and basic income security through establishing and maintaining social protection floors as a fundamental element of national social security systems, while progressively ensuring adequate and higher levels of protection.*”

–“Social protection responses to COVID-19 in Nepal,” an ILO report published in 2020.

4 UNICEF Nepal Country Office (2020). Social Protection, Budget Brief.

5 ILO. (2023). Extending social protection for all in Nepal: An analysis of protection gaps.

6 The types of allowances under the SSA include old age; single and/or widowed women; fully disabled people; severely disabled people; endangered ethnicities; incapacitated and helpless; and child support.

Gender responsive and socially inclusive social protection measures will only be possible through proactive decision-making. The following measures are recommended:

#1

Address barriers to eligibility that hinder access and exacerbate exclusion.

As mentioned in other research reports, the key barrier that prevents people from accessing social protection is eligibility. In order to ensure that all marginalized groups benefit equitably, it is important that the government strengthens its civil registration outreach so that legal identity documents are issued to all. The Citizenship Act itself is exclusionary and disadvantages women and other sexual minorities; therefore, there is also a need to step up advocacy efforts to change discriminatory aspects of the act.

With the exception of SSA-related provisions, few social protection policies in Nepal recognize gender-based barriers, especially policies related to human capital development, healthcare, food security, housing or social insurance. A thorough GESI review must be carried out for all social protection policies and interventions to ensure that they are vetted from a GESI perspective and, in turn, become more inclusive.

#2

Review social protection policies from a GESI lens.

#3

Strengthen GESI coordination within implementing agencies.

A literature review highlighted the general lack of coordination between numerous implementing agencies. This calls for stronger, more cohesive coordination to ensure effective converge between different agencies. It is important to mandate an oversight body that includes GESI experts to advise on inclusion issues, oversee implementation, monitor and maintain disaggregated data and document exclusionary practices.

The majority of social protection programmes and budgets are concentrated on protective and preventive measures that address women's reproductive needs. It is important that all mixed beneficiary social protection interventions are designed and implemented to enable equitable access. Transformative and promotive social security measures should also be assigned weight and importance.⁷

#4

Give importance to social protection policies that focus on transformative or promotive functions.

#5

Address gender gaps in coverage and access to social security schemes.

Since most of Nepal's female workforce is self-employed or concentrated in the informal sector, they do not benefit from most labour-related social protection schemes. To mitigate this barrier, measures must be undertaken to improve women's employability and reform labour market conditions to enhance their eligibility and capacity to benefit from contributory social security schemes. It is evident that women do not access such provisions due to low participation in formal employment.

⁷ These functions aim to enhance human capital and incomes, as well as social equity, inclusion and empowerment.

Equitable coverage is hindered due to poor awareness of the application and registration process. Partnering with civil society organizations (CSOs) that have strong grassroots outreach is an effective strategy to mitigate this problem. Grassroots CSOs and networks are instrumental in generating awareness among local communities and marginalized groups regarding entitlements, qualification criterion and the paperwork needed to process applications.

#6

**Spread awareness
about entitlements.**

#7

**Develop a stronger
monitoring system to
collate disaggregated
data on social
protection.**

The GoN currently has no guidelines or uniform mechanism for the monitoring and evaluation of social protection schemes. Also, multi-agency participation creates difficulty in maintaining a uniform social protection monitoring platform at the federal and provincial levels.⁸ It is important that a single window system be developed to collate, publish and analyse social protection-related data on a real-time basis. This will help monitor progress, understand coverage gaps and assess impacts.

A UNICEF brief on social protection budgets, published in 2020, flagged the issue of budget tracking for a range of social protection programmes across line ministries.⁹ The non-availability of 'budget codes' for each programme limits the possibility to carry out a proper review comparing the budget estimates to actual expenditures. As separate codes are not reflected in the database, it is challenging to separate and track social protection-related budgets under each implementing agency. The non-availability of the data also prevents an accurate estimation of the gender budget under social protection expenditures. 'Budget codes' for each programme are needed to conduct proper budget tracking.

#8

**Create budget codes
for all social protection
schemes.**

#9

**Improve the skills and
labour conditions of
the social protection
service delivery
workforce.**

A large number of female workers are engaged in the delivery of social protection services. Most of this workforce is unskilled, work on an ad hoc/temporary basis and are not compensated in line with industry standards and prevailing labour norms. To effectively roll out social protection measures, it is important that the human resources behind them are provided with adequate opportunities for skills training, certification and career progression. It is equally important that the workforce is offered decent conditions of employment. A specialized group should be created with a mandate and adequate budgets to implement this.

8 A management information system (MIS), which is maintained by MoHA, monitors SSA-related data.

9 UNICEF. (2020). Social Protection Budget Brief. Kathmandu, Nepal.

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- 'Financial Inclusion of Conflict-Affected Single Women in Sudurpaschim Province' led by *Bharati Silawal Giri*
- 'Gender Assessment of Social Protection Policies in Nepal' led by *Women Act*
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Policy brief series developed by: Swapna Bist-Joshi

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