United Nations | Department of Economic and Social Affairs

FUTURE OF THE WORLD

POLICY BRIEF NO195

THE TRANSFORMATIVE POTENTIAL OF EXPANDING SOCIAL PROTECTION IN PACIFIC SMALL ISLAND DEVELOPING STATES

INTRODUCTION

Social protection is both a human right and a key driver of sustainable development, with the power to lift and keep households out of poverty, build resilience to shocks and strengthen social cohesion.[1] Recent global shocks—including the lingering effects of COVID-19, food, fuel and energy price volatility, and climate-related disasters—have exposed how quickly households can fall into poverty when basic protections are weak. This is true in several Pacific small island developing States (SIDS), where significant coverage gaps leave people highly vulnerable when things go wrong.[2]

Expanding social protection systems does not mean doing everything at once. In contexts where poverty, labour informality, geographic dispersion and limited access to basic services constrain people's security, countries can begin with a limited number of well-designed, affordable guarantees, and invest in delivery systems that allow for gradual expansion. As countries look to implement the Antigua and Barbuda Agenda for SIDS and translate commitments from Sevilla and Doha into measurable progress on social protection coverage, they can draw on regional peer learning and international experiences to build nationally owned systems over time.[3]

Key Messages

- Social protection is a human right and a core part of sustainable development. It protects people against ordinary life-course risks—including sickness, disability, unemployment, old age and the costs of raising children—and provides a platform for responding to extraordinary shocks, including disasters and food, fuel and commodity-price crises.
- Across diverse Pacific SIDS, well-designed social protection systems can also protect nutrition, health and schooling, support human capital and productive activity, stabilize local demand, and strengthen social cohesion and trust in public institutions. These benefits are especially important where households face high labour informality, geographic isolation and repeated climate or economic shocks.
- Where formal social protection coverage is limited, expansion can be gradual. Simple tax-financed guarantees, such as social pensions or child grants for a narrow age cohort, can be administratively feasible, politically viable and fiscally manageable as a starting point in countries with limited existing social protection coverage. But they must be combined with investment in registration, payment, grievance and information systems and embedded in national budgets. These efforts can draw on learning from regional peers and international partners.

PACIFIC SIDS ARE DIVERSE BUT HIGHLY VULNERABLE

Pacific SIDS are not a uniform group. Social protection coverage ranges from over 90 per cent in Cook Islands and Palau and around two-thirds in Nauru and Fiji to below 30 per cent in Tonga, Marshall Islands, Kiribati, Samoa, the Federated States of Micronesia, Solomon Islands and Papua New Guinea (figure 1). These differences intersect with varying levels of poverty, labour informality, fiscal space and administrative capacity, meaning that countries start from very different positions when expanding social protection.[4] What they often share are acute exposure to climate and disaster risks, commodity-price volatility and small and dispersed populations—across outer islands and remote coastal communities—that can raise the cost of reaching each beneficiary and maintaining local administrative capacity.

SOCIAL PROTECTION DRIVES SUSTAINABLE DEVELOPMENT

Social protection is a human right and a core element of the 2030 Agenda, explicitly reflected in targets 1.3, 5.4 and 10.4 and contributing to progress across SDGs 1, 3, 5, 8 and 10.[5] It supports human capital formation and

1 Defined as guaranteeing "access to healthcare and income security over a person's life course through the provision of benefits in cash or in kind, particularly in relation to sickness, maternity, disability, unemployment, old age or loss of an income earner and support for families with children, among other needs." ILO World Social Protection Report 2024-2026.

2 The list of Pacific SIDS is available here.

3 The Antigua and Barbuda Agenda for SIDS (ABAS)—a Renewed Declaration for Resilient Prosperity, the Sevilla Commitment (*Compromiso de Sevilla*) of the Fourth International Conference on Financing for Development (FfD4) and the Doha Political Declaration of the Second World Summit for Social Development (WSSD2).

4 Latest estimates from ILO (2024) for instance, show informal employment rates have stagnated in Pacific SIDS since 2010, at around 55 per cent of total employment.

5 Article 22 of the Universal Declaration of Human Rights.

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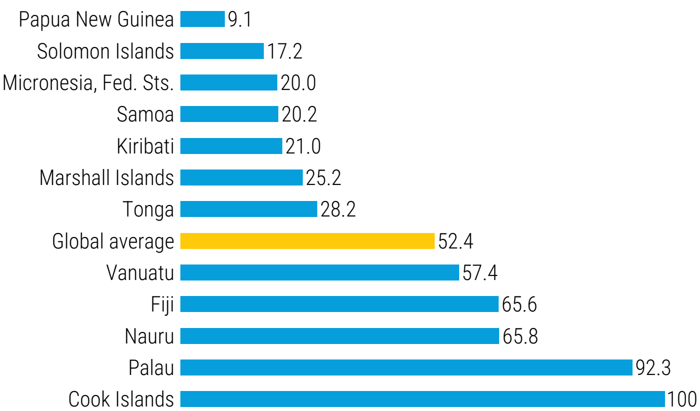
Figure 1

Social protection coverage remains low in many Pacific SIDS

Percentage of population covered by at least one social protection benefit, selected Pacific SIDS and global average



Source: ILO, retrieved from SDG Indicator Database.

long-term productivity by cushioning income losses and protecting spending on food, health and education. Evidence from across countries shows that child benefits, maternity support, disability benefits, pensions and access to health care can help people acquire the health, education, skills and resilience needed to participate fully in economic and social life. By stabilizing demand during downturns with predictable transfers and reducing the distress sales of productive assets, social protection can also be a powerful macroeconomic instrument that contributes to growth, productivity and long-term development.[6]

Social protection also has positive economic spillover effects beyond the immediate beneficiaries. Transfers to poorer households are often spent on food, transport, farm inputs, services and small businesses, supporting regular demand in local economies. The World Bank cites an estimated local multiplier of about US$2.50 for every US$1 transferred to households in poverty. In other words, the initial transfer can generate additional rounds of spending and income in the local economy.[7] These effects can be especially important in SIDS, where climate shocks, economic insecurity and geographic isolation can interrupt the functioning of local markets.

Well-designed systems also provide a platform for rapid crisis response, rather than building ad hoc humanitarian channels after every shock. Once countries have mechanisms to identify people in vulnerable situations, make payments and resolve grievances, these systems can be scaled up during climate-related disasters, commodity shocks or fuel price increases.[8] And while informal systems of family or community support can help households cope, they are not a substitute for predictable, rights-based and nationally owned social protection systems. Formal systems complement these networks by ensuring that support does not depend only on family or kin resources, geography or individual discretion.

Finally, social protection can strengthen social cohesion and trust in public institutions. Predictable, rights-based support to people facing risks across the life course, can make citizenship more tangible, particularly for youth, older persons, persons with disabilities and communities distant from central government.[9] Papua New Guinea illustrates how these arguments translate into practical choices in a low-coverage SIDS context (box 1).

Box 1

Papua New Guinea at a social protection crossroads

Papua New Guinea exemplifies the choices facing many Pacific SIDS. The country faces substantial challenges, with half of the population living on less than $3.15 per day and one in two children malnourished.[a] There is also a large youth cohort and widespread labour informality, geographic and connectivity barriers, limited civil registration and data systems, as well as uneven public service delivery capacity among its provinces.

To address some of these challenges, Papua New Guinea has recently adopted a new *National Social Protection Policy* and begun building momentum around its implementation. At the same time, formal coverage remains limited, with the ILO estimating that just 9 per cent of the population has access to at least one social protection programme.[b] Current programmes include a superannuation fund for formal workers and a child nutrition and social protection pilot supported by the World Bank, with technical support from Unicef. Informal systems, including the *wantok* system of kinship-based mutual support, remain important but cannot absorb all risks, especially when shocks affect whole communities or provinces at the same time.

There is a clear need for a gradually realized social protection system that can complement informal support and expand formal guarantees over time. Papua New Guinea can also connect its social protection expansion to broader goals of social stability, human capital investment, youth employment, and crisis response. The central challenge now is converting the national government's policy commitment into practical, affordable programmes that can be delivered reliably across the country's provinces.

a SDG Indicator Database, PNG country profile.
b ILO, World Social Protection Report 2024-26.

COUNTRIES CAN EXPAND SOCIAL PROTECTION COVERAGE GRADUALLY

Universal social protection systems that provide adequate, predictable benefits across the life course are not built overnight; they are developed progressively through a gradual, deliberate process of expanding coverage,

6 ILO, World Social Protection Report 2024-26.
7 World Bank, State of Social Protection Report 2025: The 2-Billion-Person Challenge.
8 Fiji has deployed this function as recently in April 2026, in response to the ongoing fuel crisis, as shown here.
9 United Nations, World Social Report 2025: A New Policy Consensus to Accelerate Social Progress.

improving adequacy, strengthening institutions, and securing sustainable financing, guided by a long-term vision and strong political will. For many Pacific SIDS where coverage is low or delivery capacity remains constrained, the most effective pathway may be to start with a limited number of high-impact instruments—a social protection floor—that keep eligibility rules simple, while investing in data and delivery systems that allow for scaling progressively as financing and administrative capacity to operate increase.

Evidence from across countries suggests that in early stages of system development, categorical eligibility based on age or geographic location is usually easier to communicate and implement than targeting based on income or consumption.[10] Poverty targeting requires sophisticated administrative capacity and both inclusion and exclusion errors are common in such schemes around the world (see figure 2). These are often worse in settings where informal livelihoods, seasonal income, shocks and mobility make static poverty assessments quickly outdated.[11] As such, these potential errors are a warning for those countries, including some SIDS, with low social protection coverage looking to expand systems. Simpler rules can also make appeals easier and help build public confidence in an emerging formal system, which may be operating alongside informal mechanisms of support.

Tax-financed old-age pensions for example—in which a small cash transfer is provided to those over a certain age—are often an administratively feasible starting point because age-based eligibility is easier to verify than poverty status. Often called “social pensions” or “non-contributory pensions”, the goal is to provide predictable income security to older persons, who in developing countries are often more likely to live in poverty than individuals at younger ages. One practical option is to begin with the oldest age groups, such as those aged over 75 or over 80, lowering the eligibility age gradually as delivery systems mature. Experience from Timor-Leste and Pacific countries shows that this kind of incremental expansion is administratively manageable and can help build the necessary political support for sustained fiscal commitment.[12] They are also popular as the positive impacts of the transfer often extend to children and other members of multigenerational households.

Child grants are also highly relevant for Pacific SIDS, particularly in contexts of high rates of child poverty, malnutrition and interrupted access to basic services. They can help protect nutrition, health and schooling, while building the human capital necessary for sustained economic growth and long-term prosperity.[13] A universal child grant for children aged 0–2 or 0–5, for example, can provide a manageable first step while avoiding the exclusion errors often associated with complex poverty-targeted registries.

10 United Nations, Report on the World Social Situation 2018: Promoting Inclusion Through Social Protection.

11 Kidd and others, 2021, Social registries: a short history of abject failure.

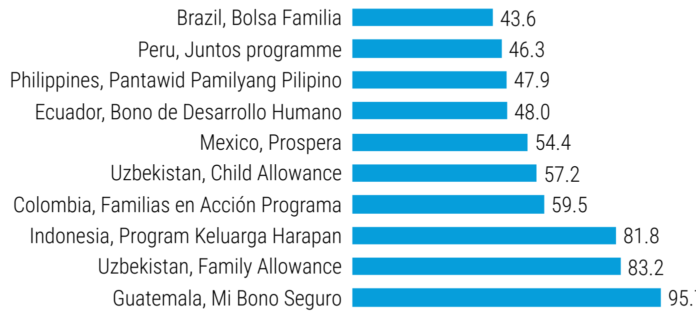
12 Kidd and others, 2026, Adding life to years: a review of tax-financed pensions in the Asia-Pacific.

13 World Bank, State of Social Protection Report 2025: The 2-Billion-Person Challenge.

Figure 2

Globally, targeted programmes often exclude large numbers of children living in poverty

Percentage of eligible children living in poverty who were excluded from poverty-targeted child-focused social protection programmes across countries



Source: Kidd and Athias, 2020, Hit and Miss: An assessment of targeting effectiveness in social protection with additional analysis.

Starting with a narrow age cohort can make costs more predictable and allow countries to scale up systems gradually as they learn from implementation.

Whatever pathway countries choose to expand their social protection systems, investment in delivery infrastructure and administrative capacity is crucial. Registration, enrollment, payment mechanisms, management information systems with links with civil registration, complaints and appeals, and monitoring capacity are the backbone of social protection. Digital registries and electronic payments can improve accuracy and transparency, but they should not create new barriers for people who lack bank accounts or face weak connectivity, long travel distances, language constraints, disability-related access barriers, and gaps in civil registration. Manual or offline channels may therefore remain necessary. Pilot programmes can test these systems in practice before wider expansion. Finally, social protection systems in Pacific SIDS must be designed with future shocks in mind. Programmes can be designed to allow for temporary cash top-ups or coverage expansion during food, fuel, climate or disaster-related shocks, supported by pre-defined criteria, financing triggers and coordination with disaster management actors. Some countries in the region are already experimenting with parametric insurance products, where mobile cash transfers are triggered by specific hazard events.[14]

FINANCING SOCIAL PROTECTION EXPANSION IS POSSIBLE

Financing constraints are real, and the fiscal implications vary substantially by programme design. According to the International Labour Organization, low- and middle-income countries need an average of 3.3 per cent of their GDP to finance universal social protection floors.[15]

14 See for example the Pacific Insurance and Climate Adaptation Programme, supported by UNCDF.

15 ILO World Social Protection Report 2024-2026.

Narrow first steps can cost much less. Experience from the Pacific region and from relevant comparators shows that gradual expansion is achievable when programmes are simple, visible and integrated into national budgets. Timor-Leste, for example, has financed a universal social pension through its national budget, supported by petroleum revenues, achieving high coverage through simple eligibility rules. Fiji has expanded social pensions and disability allowances using clear categorical criteria and incremental delivery improvements. Further afield, Mongolia's Child Money Programme demonstrates how mineral revenues can sustain a universal child benefit, though long-term sustainability requires careful fiscal management.

Financing social protection is also a state-building choice, connecting fiscal policies, in particular public revenue collection, to expenditures that support high-quality service delivery and trust in institutions. The UN *World Social Report 2025* underscores that social contracts are strengthened when people see a clear link between taxation, public revenue and the delivery of services and protections that improve their lives. Social protection can play a central role in making this link more visible and more acceptable to the broader public. When people receive predictable support throughout the life course, from childhood to old age, or when they are dealing with a disability, unemployment or crisis, public finance becomes more tangible—part of a shared system of solidarity, security and citizenship.

Recent global commitments also emphasize the importance of predictable financing for social protection, while ensuring that resources are raised and spent in ways that strengthen equity, trust and resilience. The Antigua and Barbuda Agenda for SIDS, the Sevilla Commitment of the Fourth International Conference on Financing for Development, and the Doha Political Declaration of the Second World Summit for Social Development also reinforce the need to accelerate progress on social protection coverage, including through a measurable annual expansion. Starting with a solid, scalable foundation that leaders and the public can understand and demonstrating reliable delivery can build the public trust and political legitimacy needed to expand coverage. One financing model will not fit all countries, but benefits should be costed, prioritized and embedded in regular budget processes with reliable revenue sources. Where natural resource revenues are available, they can support social protection through the budget, but commitments should remain affordable when commodity revenues fall. Cross-country evidence also suggests that higher-income countries tend to devote more resources to social protection, reinforcing the importance of building systems progressively as fiscal capacity expands.[16]

PACIFIC SIDS CAN LEARN FROM REGIONAL PEERS AND INTERNATIONAL PARTNERS

Finally, peer learning can play an important role, especially where those peers have faced similar constraints—including small scale, dispersion, high administrative costs, limited fiscal space and exposure to shocks. Countries in the region can learn lessons from one another, including on the operational choices that determine how programmes reach people, such as registering beneficiaries in remote or dispersed communities, using local structures while preserving rights and accountability, making payments reliably, handling complaints, updating records, building provincial capacity and sustaining political support once programmes begin.

International partners can facilitate peer learning and help governments move from policy aspiration to practical implementation. In Pacific SIDS, this can include technical and financial support to build the foundations of functional social protection systems, such as management informational systems (MIS) and digital payment infrastructure, costing and forecasting efforts, as well as shock-responsive financing.[17] Regional institutions such as the Pacific Community can also convene peer exchange, develop shared tools, streamline approaches where appropriate and support regional technical capacity. International partners can support coordination across governments, since effective social protection depends on finance, planning, community development, labour, health, education and disaster management institutions working together on a shared agenda.

CONCLUSION AND POLICY RECOMMENDATIONS

For Pacific SIDS, social protection expansion is both a development priority and a resilience strategy. Social protection helps people manage ordinary life-course risks and extraordinary shocks, especially protecting children, youth, older persons and persons with disabilities. It supports human capital and productive economic activity, stabilizes local demand, and can strengthen social cohesion and trust. Practically, Pacific SIDS starting from low social protection coverage may consider:

- Selecting one or two simple guarantees linked to national priorities, costing them, and embedding their financing in the national budget;
- Building accessible registration, payment, information and grievance systems, piloting these systems and learning from initial delivery;
- Expanding coverage and adequacy progressively as administrative and fiscal capacity grows, while designing systems from the outset to allow for temporary top-ups or coverage expansion during shocks.

In this way, countries can turn social protection into durable national infrastructure for both social progress and crisis response.

16 Hanna and Olken (eds.), 2026, The Handbook of Social Protection: Evidence and New Directions for Low-and Middle-Income Countries.

17 Current examples that could be further strengthened include the Partnership for Social Protection (P4SP) funded by Australia and the ESCAP-led Climate Resilient and Inclusive Social Protection (CRISP) project.