

# BEYOND SHOCK-RESPONSIVENESS

## *Horizontal Integration as the Next Frontier of Adaptive Social Protection*

Samuel Cheung | Senior Adviser, UNHCR

### ABOUT THIS SERIES

*Governing Displacement* is a policy brief series examining displacement governance at the intersection of institutional design and development finance, with Southeast Asia as the primary analytical ground. It draws on the author's forthcoming chapter in Khemanitthathai, Banerjee, and Middleton (eds.), *Displacement in Southeast Asia under Neo-geopolitics* (Palgrave Macmillan, forthcoming). The frameworks developed — the displacement continuum as governance diagnostic, sustainable inclusion as governance response — are applicable across middle-income displacement contexts where legal reform is constrained and fiscal integration remains the operative challenge.

## Introduction

Adaptive social protection has emerged as a critical framework for strengthening national systems to anticipate, absorb and respond to climate- and disaster-related risks. Across Southeast Asia and beyond, investments in social registries, adaptive financing, anticipatory action and delivery systems have strengthened governments' ability to identify affected populations, mobilize resources and scale assistance during periods of crisis. More recently, attention has increasingly turned toward the relationship between social protection and displacement as governments and development partners seek to strengthen nationally owned systems capable of addressing more mobile and protracted forms of vulnerability.

These developments have generated important advances in both policy and practice. Yet displacement presents challenges that differ in important respects from many of the shocks around which adaptive social protection has evolved. Understanding how social protection systems perform under conditions of displacement is becoming increasingly important as mobility, climate adaptation and protracted vulnerability reshape the landscape of development policy.

## Adaptive Social Protection and the Achievement of Vertical Scalability

The emergence of adaptive social protection reflects a broader recognition that vulnerability is increasingly shaped by shocks whose impacts extend beyond the scope of traditional poverty-targeted interventions. Building on earlier traditions of social risk management and transformative social protection, influential contributions from Devereux and Sabates-Wheeler, later developed through the World Bank's Adaptive Social Protection program, the International Labor Organization's systems-strengthening agenda, and extensive policy research by ODI and others, have expanded the focus of social protection beyond chronic poverty toward the capacity of states to anticipate, absorb and respond to shocks.

In practice, this evolution has focused on strengthening the ability of governments to manage shocks through existing national systems. Investments in social registries, digital identification systems, adaptive financing mechanisms and anticipatory action frameworks have improved the capacity of states to identify affected populations, mobilize resources and scale support during periods of crisis. The result has been a growing emphasis on resilience, responsiveness and the use of national systems as the primary platform for

managing climate-related disasters, economic crises and other shocks.

The principal achievement of adaptive social protection has therefore been the strengthening of what might be termed vertical scalability: the capacity of institutions to expand and contract in response to changing levels of need without creating entirely new delivery systems. This is a significant governance achievement. Compared to a decade ago, governments are better equipped to respond to climate-related disasters, economic crises and other shocks through existing national systems.

Yet these advances often assume relatively stable administrative relationships, jurisdictions and beneficiary populations. While appropriate for many climate and disaster shocks, displacement introduces a different challenge. Vulnerability is no longer experienced solely within existing administrative structures but increasingly across them. Individuals and households move between jurisdictions, interact with multiple institutions over time and experience changing forms of vulnerability that do not always correspond to the administrative categories used for eligibility, financing and service delivery.

The challenge therefore becomes not simply whether systems can scale assistance during periods of crisis, but whether protection can be maintained as populations move across the institutional and systemic boundaries.

## **Displacement and Horizontal Integration**

Displacement differs from many of the shocks around which adaptive social protection has evolved because its defining characteristic is movement. As argued elsewhere in this series, displacement rarely conforms to the categorical, temporal and territorial boundaries around which public institutions are organized.

The displacement and social protection literature has significantly advanced understanding of how displaced populations can

gain access to national systems. ODI's work on social protection and forcibly displaced populations documents the continuing difficulties displaced households face in accessing state systems despite broader Research led by Sabates-Wheeler and colleagues similarly demonstrates that formal access rights do not necessarily translate into effective access when administrative and institutional barriers remain. More recently, Olivier and de Clercq have argued that durable responses depend increasingly on nationally owned systems capable of absorbing displacement-related vulnerability rather than relying on parallel humanitarian arrangements.

These contributions have significantly advanced the debate. Yet they continue to focus primarily on how displaced populations can gain access to national systems. Displacement exposes a prior institutional question: whether systems themselves are sufficiently integrated to maintain protection as people move through them.

The central challenge is maintaining continuity of protection across fragmented institutional landscapes. Households may remain visible to the state yet lose access to services. Assistance may be available within one program but not transferable across administrative boundaries. Eligibility may be established in one phase of displacement but disappear as responsibility shifts between agencies, jurisdictions or funding streams. The result is a growing disconnect between evolving patterns of vulnerability and the institutions responsible for addressing them.

This can be understood as a problem of horizontal integration. Whereas vertical scalability concerns the capacity of institutions to expand and contract in response to changing levels of need, horizontal integration concerns the capacity of protection to remain continuous across categories, jurisdictions, sectors and time. The consequence of limited horizontal integration is a continuity gap between persistent vulnerability and fragmented

institutional responsibility. This concern echoes the earlier tradition of transformative social protection, in which Devereux and Sabates-Wheeler emphasized that vulnerability is shaped not only by poverty but also by the institutional conditions that produce exclusion.

Displacement brings to light a dimension of adaptation that has received comparatively less attention within contemporary social protection debates. The challenge is not only whether institutions can identify vulnerable populations and scale assistance accordingly, but whether protection can remain continuous as populations move across administrative and institutional boundaries.

## Two Design Logics: Adaptive Systems and Integrative Systems

The distinction between vertical scalability and horizontal integration can be illustrated through two influential policy experiences in Southeast Asia: Indonesia's social protection architecture centred on the Data Terpadu Kesejahteraan Sosial (DTKS) and Thailand's Health Insurance Card Scheme (HICS). Both represent significant governance innovations. Yet they were designed to address different policy problems and, as a result, illustrate different dimensions of institutional adaptation.

Indonesia's social protection reforms are widely regarded as among the most advanced examples of adaptive social protection in the region. Supported through extensive engagement by the World Bank and other development partners, DTKS functions as an integrated social registry underpinning major social assistance programs and providing the administrative foundation for increasingly responsive social protection systems. The central challenge addressed by these reforms has been how to improve the state's capacity to identify vulnerable populations, target resources and scale assistance during periods of crisis. In this respect, Indonesia reflects many of the core

achievements associated with the adaptive social protection agenda.

Thailand's Health Insurance Card Scheme emerged from a different policy challenge. Developed in response to the practical realities of large mobile and non-citizen populations, the scheme sought to extend access to health services while maintaining the integrity and fiscal sustainability of the broader health system. As documented in the work of Tangcharoensathien, Suphanchaimat and others, the significance of HICS lies less in its technical design than in the governance logic it reflects. The central question was not how to target a particular vulnerable population, but how to ensure that an essential public system could continue functioning under conditions of mobility. Although not typically discussed within the adaptive social protection literature, HICS illustrates a complementary dimension of adaptation: the capacity of public systems to sustain inclusion as populations move.

Taken together, these experiences highlight different dimensions of institutional adaptation. DTKS focuses primarily on improving the capacity of institutions to identify need and scale assistance. HICS focuses on maintaining a functional relationship between mobile populations and an existing public system. These are complementary dimensions of adaptation: scaling systems and sustaining inclusion under conditions of mobility.

This distinction also helps explain why some of the most significant advances in displacement inclusion have emerged through sectoral systems rather than displacement-specific programs. Health systems, education systems and local service delivery structures are often required to engage populations as they exist in practice rather than as they are categorized administratively. Their importance lies not only in the services they provide, but in their ability to create institutional pathways through which protection can remain connected to people as circumstances change.

The lesson is not that adaptive social protection should abandon its focus on scalability, nor that sectoral systems alone provide the answer. Rather, displacement suggests that future reforms may need to give equal attention to the institutional arrangements that sustain protection across administrative boundaries, sectoral systems and phases of vulnerability. Adaptation depends not only on the capacity to scale assistance, but also on the capacity to maintain continuity of protection under conditions of mobility.

### Implications for the Next Generation of Adaptive Social Protection

Recognizing the importance of horizontal integration does not diminish the achievements of adaptive social protection. On the contrary, the investments promoted by the World Bank, ILO and other development partners in social registries, adaptive financing, anticipatory action and delivery systems provide an essential foundation for addressing displacement-related vulnerability. The question is not whether adaptive social protection should continue strengthening these capabilities, but whether responsiveness alone is a sufficient measure of adaptation.

Displacement suggests that adaptation involves more than the capacity to scale assistance during periods of crisis. It also depends on the ability of institutions to maintain protection as people move across administrative jurisdictions, legal

categories, sectoral systems and phases of vulnerability. This becomes particularly important where displacement is prolonged, intersects with broader patterns of mobility, or extends beyond the temporal boundaries of many emergency and recovery systems.

This perspective also has implications for current debates on displacement inclusion. Recent work by Olivier and de Clercq rightly emphasizes the importance of nationally owned systems and the limitations of parallel humanitarian arrangements. Yet inclusion is not simply a question of access. A household may gain entry into a national program and still encounter interruptions in protection as responsibilities shift between agencies, programs or jurisdictions. Durable inclusion therefore depends not only on incorporation within national systems but also on the capacity of those systems to maintain continuity over time.

The implications extend beyond displacement policy alone. As mobility becomes an increasingly prominent feature of contemporary development, institutions will be judged not only by their ability to respond to shocks, but also by their ability to sustain protection across changing administrative and institutional circumstances. In that sense, displacement-inclusive systems are best understood as a logical extension of the broader effort to adapt governance systems to increasingly mobile and protracted forms of vulnerability.

#### KEY MESSAGES

Adaptive social protection has significantly strengthened the capacity of governments to scale assistance during shocks through investments in social registries, financing mechanisms and delivery systems.

Displacement exposes a different governance challenge. Unlike many shocks, displacement involves movement across administrative jurisdictions, legal categories, sectoral systems and phases of vulnerability.

The next phase in the evolution of adaptive social protection may depend not only on greater scalability, but also on stronger horizontal integration: the capacity of institutions to maintain continuity of protection across categories, jurisdictions and time.

Sustainable inclusion depends not only on access to national systems but on the ability of those systems to maintain protection as people move. Durable inclusion is therefore a question of institutional continuity as much as access.

## Priority Actions

**For governments:** Move beyond registry modernization toward displacement-inclusive system design. Assess where eligibility, enrolment and service access remain dependent on assumptions of stable residence, continuous documentation or fixed administrative jurisdictions, and identify reforms that strengthen continuity of protection as populations move.

**For social protection and sectoral agencies:** Ensure that investments in social registries, digital identification systems and interoperability are linked to reforms that support access, portability and continuity of protection across displacement trajectories. Administrative visibility should be treated as a means to continuity and inclusion rather than an end in itself.

**For development partners and international financial institutions:** Use adaptive social protection, climate adaptation and systems-strengthening investments to strengthen the

institutional foundations of displacement inclusion. Prioritize reforms that translate visibility into access, eligibility and continuity of protection rather than focusing solely on identification, targeting and scale-up mechanisms.

**For policymakers and legislators:** Review legal, administrative and sectoral frameworks to identify where access to essential services remains contingent on unresolved questions of legal status, citizenship or displacement recognition. Where possible, expand pathways for incorporation within existing public systems and sectoral mandates.

**For ministries of finance and subnational authorities:** Align fiscal systems with population movements so that resources can follow people and service providers can absorb displacement-related demand without creating disincentives to inclusion. Continuity of protection ultimately depends on fiscal arrangements capable of sustaining inclusion across jurisdictions and over time.

### About the Author

Samuel Cheung is a Senior Adviser at UNHCR. He served most recently as Chief of Protection from Violence and Displacement at UNHCR headquarters and, prior to that, as Global Protection Cluster Coordinator, leading protection operations across more than thirty humanitarian crises worldwide. Before joining UNHCR, he advised Asian sovereigns on bond programs and structured finance at Allen & Overy LLP in Hong Kong. He holds a JD from Georgetown University and a BA in Public Policy from Duke University. The argument advanced in this series — that displacement governance is fundamentally a fiscal and institutional design problem — reflects that convergence. Views are the author's own.

### WHAT FOLLOWS IN THIS SERIES

**Brief 4** develops the fiscal architecture argument — the recurrent fiscal obligation problem and its implications for sovereign credit assessment. **Brief 5** applies the displacement-as-sovereign-risk analysis to ESG frameworks and sustainable finance instruments.