

Policy Design and Human Rights: Can we resolve the debate over conditionalities and narrow targeting?

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In HelpAge we don't claim to have all the answers to the questions raised; however, based on existing evidence and the nature of discrimination and exclusion faced by our "constituency", older people, we take a clear position – that of a universal pension for all OP above 60 years of age as a right. However, we see a universal pension, only as one element of a wider package of social security mechanisms, not a silver bullet.

What I'll be talking about today is not pensions but achieving a social floor and **universal coverage** following a life cycle approach – ensuring against vulnerabilities and risks across different age and life cycle stages.

On the overarching question for this working group let me briefly say that no we can not resolve the debate over conditionalities and narrow targeting as long as

- political will for investing into soc security as a basic human right is lacking
- affordability and sustainability of a "universal coverage" approach (be it through an basic income grant or a complementary package of schemes such as in RSA) are not addressed through political dialogue and building of political will

And beside, debates are not negative – the problem rather is that underlying assumptions and beliefs remain couched and hidden behind the façade that the targeting and conditionality debate is "only" about effectiveness of budget allocation. As eloquently outlined by UNRISD:

Ideologies play an important role in the choice of instruments used to address problems of poverty, inequality and insecurity. Each of the core concerns of social policy—need, deserts and citizenship—are social constructs that derive full meaning from the cultural and ideological definition of "deserving poor", "entitlement" and "citizens' rights". Although in current parlance, the choice between targeting and universalism is couched in the language of efficient allocation of resources subject to budget constraints and the exigencies of globalization, what is actually **at stake is the fundamental question about a polity's values and its responsibilities** to all its members. The technical nature of the argument cannot conceal the fact that, ultimately, value judgments matter not only with respect to determining the needy and how they are perceived, but also in attaching weights to the types of costs and benefits of approaches chosen. Such a weighting is often reflective of one's ideological predisposition. ¹

¹ Targeting and Universalism in Poverty Reduction, Thandika Mkandawire

1. Do conditionalities for social security programmes promote or harm human rights? And what is the evidence from practice/if applicable, from your country?

If we interpret and try to measure the fulfilment of the right to social security through indicators such as effectiveness of targeting (i.e. high rates of inclusion of the poorest) and impact on human development outcomes such as health and education then the answer is clearly that CCT are likely to harm rather than promote HR especially with regard to equality and non-discrimination aspects of HR to social security.

CCT in practice are implemented within means-tested or poverty targeted social security programs. These programs by their very nature define who is a “deserving poor” and who isn’t. Targeting is subject to limited fiscal space and thus social security coverage will not reach all those in need.

Especially in low and middle income countries where poverty rates and inequality ratios are high, it is extremely difficult to design poverty or means tested interventions that do not exclude a large proportion of the poorest quintiles.

Underlying assumptions that have not proven true:

- in the absence of conditionalities, beneficiaries would not make the same investment in health or education (see RSA presentation, Kwawazee).
- There are deserving and undeserving poor (which is used frequently as an argument to gain wider political support especially of the non-benefiting middle classes).
- CCTPs contribute to the self-esteem and sense of autonomy of the beneficiaries as they are not receiving “something for nothing”
- CCT foster the demand for health and education services

CCTPs are often credited with strengthening human capital and thus in the long term contribute to breaking the intergenerational reproduction of poverty – this is equally true to all CT and is not a unique impact of CCTs

To promote the successive realization of the right to social security conditionality does not play a part other than in creating political will. The danger is that through insisting on hard conditions (i.e. striking people of CT programs when failing to adhere to imposed conditions), CCTs harm realization of rights; (Magdalena: “Enforcing rigid conditionalities e.g. expelling families from the CTP for failure to comply the condition) may mean that the poorest are punished. States must ensure that whatever policy they implement, the final result will not violate the right of individuals to at least a minimum essential level of human rights.”

More acceptable from a human rights point of view are soft conditionalities whereby beneficiaries on non-compliance will be supported by social services to identify and assist households to remove barriers to fulfill conditions.

Where a CCT might work well is as a complementary tool to universal coverage of life-cycle risks (i.e. childhood, old age, disability and unemployment) can CCT be used as a tool to address continuing inequalities through positive discrimination i.e. address gender-based discrimination reflected in lower girl school enrolment and including explicit conditions relating to harmful forms of child labour

Above all - whether CT are designed as conditional or unconditional, it is crucial to invest in the supply side of basic social services – increased uptake of school enrolment and preventive health check up not sufficient to improve human development outcomes – quality and scope of services needs to increase!!!

2. Are universal or targeted approaches more consistent with human rights? And in what circumstances?

A comprehensive package of different targeted interventions could in theory be consistent with HR; however evidence shows that in practice targeting is never comprehensive (as it accepts limited fiscal space as the determining factor not need) and the right to social security is not comprehensively fulfilled through means-testing/poverty targeting because of

- Social costs
 - Can create divisions in communities and loss of social cohesion
 - Namalomba in Malawi cash transfer: "I was lucky that I was identified to benefit from the scheme. All my neighbours are poor and they need similar help. They despise me now and I can't do anything about it"
 - Rewarding of dishonesty
- Economic costs
 - Perverse incentives – you lose the benefit if you
 - Work
 - Invest
 - Have assets
 - Discourages saving in the contributory system
- Administrative costs
 - Targeting is costly and complicated to administer
 - Need to **search** for beneficiaries rather than **attract** them
 - Need to **re-target** beneficiaries regularly
 - Comparison in Zambia
 - Universal approach – 6% administrative costs
 - Targeted approach – 15-20% administrative costs (maybe more)
- Political costs
 - Corruption is easier with targeted schemes – less transparent
 - Can affect the popularity of the scheme.
 - Universal pensions are more popular
 - Bigger budget – may make sense to give to wealthier people to get buy in.

3. Is it possible to reconcile different views on these areas? And what should international agencies be recommending?

As mentioned in my introductory statement I don't think the different views can or need to be entirely reconciled.

On a positive note there has been massive progress in recognizing social security as a key response to reducing poverty and inequality, so that today the issue is no longer whether but how.

It is extremely encouraging that the ILO's lead on the global social floor has finally been taken up by all major UN agencies in the form of the UN social Protection Floor Initiative (SPF – I)².

Whilst there might well be problems with coordinating somewhat bureaucratic and diverse UN agencies in one process, there are positives in that there is a clear acknowledgment of needing to respond to developing country demand.

So instead let me finish by responding to what should agencies be recommending: A successive realization of the social floor with nationally owned and tailored approaches which respond to the political economy, demographic and poverty make-up of any given country.

And in practice – all development partners need to adopt a more flexible and less bureaucratic approach to meeting partner countries requests – national demand is at times stifled through drawn out processes.

² was set up under the UN Chief Executive Board as one of 9 priority responses to the global financial crisis, is being lead by by ILO + WHO for the first year (acting as a secretariat). The SPF-I aims to facilitate and accelerate the introduction or extension of essential services and cash transfers in different countries.