Social assistance in the 21st century

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The presentation:

Large expansion of social assistance provision in low and middle income countries

...pointing to an emerging architecture of welfare institutions

with social assistance having a prominent role

...and highlighting significant research gaps

Why the expansion of social assistance in LMICs?
The relative weight of protection and social investment
The politics of vertical redistribution
Social policy, social protection, social assistance and emergency assistance

<table>
<thead>
<tr>
<th>Basic service provision</th>
<th>Social protection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education, health, housing, etc.</td>
<td>Social insurance: Contributory programmes addressing life cycle and employment contingencies</td>
</tr>
</tbody>
</table>
'Safety nets' merge social assistance and emergency assistance

<table>
<thead>
<tr>
<th>Emergency assistance</th>
<th>Social assistance</th>
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<tbody>
<tr>
<td>addresses misfortune</td>
<td>addresses poverty and vulnerability (generated by economic system)</td>
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<tr>
<td>short term</td>
<td>regular and reliable transfers</td>
</tr>
<tr>
<td>targets people affected by hazards and does not select by socio-economic status</td>
<td>targets citizens with incomes below a minimum income threshold</td>
</tr>
<tr>
<td>financed by budget reserves or international assistance</td>
<td>budget/tax financed</td>
</tr>
<tr>
<td>Samaritan principle - help those affected by disasters/hazards</td>
<td>Citizenship principle - commitment to ensuring minimum living standards</td>
</tr>
<tr>
<td>no link to domestic politics</td>
<td>requires domestic political support</td>
</tr>
<tr>
<td>transfers are discretionary</td>
<td>transfers are entitlements; they are rules-based</td>
</tr>
<tr>
<td>NGOs; charities; UN emergency agencies</td>
<td>Ministries of Social Development</td>
</tr>
<tr>
<td>limited legal framework except human rights if applicable</td>
<td>Legislation/regulations</td>
</tr>
<tr>
<td>dominant instrument: transfers in-kind although increasingly in cash</td>
<td>dominant instrument: old age transfers(budget)/ccts (participants)</td>
</tr>
<tr>
<td>consumption and recovery</td>
<td>consumption and social investment</td>
</tr>
</tbody>
</table>
Social assistance expansion in LMICs

Data source: SLMIC dataset
www.social-assistance.manchester.ac.uk
Uneven expansion across regions

**Reach of social assistance by region**
(direct and indirect beneficiaries in millions)

- Middle East & North Africa
- Europe & Central Asia
- Sub-Saharan Africa
- East Asia & Pacific
- Latin America & Caribbean
- South Asia

Data source: SLMIC dataset
## Transfer programme types

<table>
<thead>
<tr>
<th>Understanding of poverty</th>
<th>'Ideal type' of social assistance programme</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poverty as consumption deficit</td>
<td>Pure income transfers</td>
</tr>
<tr>
<td>Poverty as productivity deficit</td>
<td>Income transfers combined with asset accumulation</td>
</tr>
<tr>
<td></td>
<td>Human development income transfers</td>
</tr>
<tr>
<td></td>
<td>Employment guarantees (community assets)</td>
</tr>
<tr>
<td>Poverty as inclusion deficit</td>
<td>Integrated antipoverty transfer programmes</td>
</tr>
</tbody>
</table>

*Source: (Barrientos, 2013)*
Reach of social assistance in LMICs by programme type
(direct and indirect beneficiaries in millions)

Data Source: SLMIC dataset
The emerging architecture of welfare institutions in LMICs

Data Source: ASPIRE accessed Oct 2017

The values reflect the share of individuals in households with at least one participant in social insurance or social assistance as defined by ASPIRE, and estimated from household survey data. Country’s most recent value between 1998 and 2014.
The primary role of social assistance in social protection constitutes an anomaly for theories of the development of welfare institutions in high income countries.

European theories of the welfare state focus on the role of interest stratification, class coalitions and policy-to-politics feedback.

In a context in which comprehensive social insurance dominates, social assistance is redundant and even counterproductive ["...targeted model creates a zero sum conflict of interests between the poor and the better off workers and the middle class who must pay for the benefits of the poor without receiving any benefits...[targeting] drives a wedge between the short-term interests of the poor and those of the rest of the population "(Korpi & Palme, 1998: 672). ]

This perspective has been influential in scholarship on developing countries:

Huber and Stephens acknowledge that "although policies targeted at the poor have a place in the overall [social policy A.B.] package, they cannot be the center-piece of the package because they don't tie the middle of the income and class distribution to the political coalition" (Huber & Stephens, 2012, p. 66).

Along similar lines and considering the development of welfare institutions in Latin America, Asia and Eastern Europe, Haggard and Kaufman write "[a]lmost by definition the poor and vulnerable are deprived not only of assets and income but of social and political connections and influence as well...The fate of the poor and vulnerable is therefore never in their hands alone but will depend on the self-interest of other social groups and the formation of cross-class coalitions with an interest in equity and social justice" (Haggard & Kaufman, 2008, p. 362).
Research gaps I

What explains the expansion of rules-based social assistance in the 21st century?

- Democratisation facilitating demand for social policies
- Economic growth generating employment and fiscal space
- Left-coalitions championing inclusion
- International context underlined poverty reduction
- Lack of dynamism/Failure of social insurance model
- Social assistance as an electoral tool
Research gaps II

What is the relative weight of social investment and protection?

A significant number of programmes focus on improving productive capacity of groups vulnerable to poverty, especially conditional income transfers and integrated antipoverty transfer programmes.

Consistent with a shift towards social investment.

Complements or substitutes?

Social investment for outsiders?
Research gaps III

Understanding the politics of vertical redistribution

Social insurance works by pooling risks among groups, effecting horizontal redistribution

Social assistance works instead through vertical redistribution, from the better off to the worse off

Highlighting the need to understand the politics of vertical distribution: social contracts? Left coalitions? Transfers as an electoral tool

Combined effects of taxes and transfers? Tax structures?
Conclusions

LMICs show a significant expansion of social assistance provision and institutions in the new century

Social assistance describes budget-financed and rules-based transfer programmes addressing poverty and vulnerability

In terms of reach, social assistance is the dominant social protection component in LMICs

This suggests an emerging architecture of welfare institutions in LMICs with social assistance at its core

It also highlights important research gaps relating to: causal explanations for this expansion; the relative weight of protection and investment; and the politics of vertical redistribution.