Cash in the hand

RIGHTS BASED SOCIAL PROTECTION AS A METHOD OF ERADICATING POVERTY AND HUNGER
AN ANTHOLOGY
Some of the clearest effects of cash transfers are higher school attendance and a reduction in child malnutrition, leading to better school results. The picture shows schoolchildren in Haiti.

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AN ANTHOLOGY ON RIGHTS BASED SOCIAL PROTECTION
AS A METHOD OF ERADICATING POVERTY AND HUNGER
Foreword

Prosperity is spreading worldwide – most people are increasingly better off. At the same time, the gulf between “haves” and “have nots” is becoming increasingly stark. Almost a billion people do not have enough to eat and roughly twice that number is suffering from malnutrition because their diet is too limited.

*Everything to eradicate hunger!* is currently a theme of the fundraising, education and awareness campaigns carried out in the Church of Sweden’s international work. An important part of the effort on hunger and food security is about agriculture, about supporting small-scale farmers, and the ecological sustainability of agriculture. There are good reasons for this, not only because agriculture provides all of us with food, but because it is among people who make their living from agriculture that we find most undernourished people.

However, hunger and poverty cannot be eradicated solely through support to farmers. This publication addresses another important method – using cash grants to empower disadvantaged people and give them an opportunity to make their own decisions about their lives.

In this publication we seek to describe a silent revolution. In recent years social pensions, child benefits, public work programmes and other types of social protection schemes have been introduced in country after country in the developing world. The effects are tangible: reduced malnutrition, particularly among children, higher school attendance and reduced ill-health. Attention is increasingly being paid to social protection in the international development debate, while in Sweden so far silence has prevailed on this issue.

This silence is strange since, in Sweden, we are very familiar with these kinds of social transfers. They are part of the political system that helped to raise the Swedish population out of poverty and they are still an inalienable part of our welfare system.

So why should we think that poor countries are not capable of setting up such welfare systems on a larger scale? It is not hard to imagine that there is an even greater need for child benefits and public pensions in Malawi or Bolivia than there is in Sweden, but aren’t these kinds of transfers far too expensive and thus an unattainable Utopia? Perhaps not. Experience shows that even if you start with small and financially attainable levels of benefits, tangible results can still be achieved. There is also a growing realisation that social protection should not be seen primarily as an expense but rather as an investment in people. Much
indicates that if these systems are developed further and spread to very poor countries, it may in fact be possible to achieve several of the UN’s Millennium Development Goals.

Social protection can also constitute an expression of the rights-based perspective that must permeate development cooperation today – it is a way for the state to fulfil its obligations towards its citizens by improving their opportunities to gain greater power over their own lives.

This anthology has been produced in collaboration with the Nordic Africa Institute. We asked twelve authors from different backgrounds to give their views on the debate on how social protection can help to combat global poverty. They discuss current research, the international development debate and a couple of real-world examples. The concluding articles relate the debate to the development of the Swedish welfare state and the historical role the Church of Sweden played in social welfare, or poor relief as it was formerly known.

For the Church of Sweden, working for social protection systems is a matter of course. Diaconia – service and care for our fellow human beings – has always been a central task of the church. When we discuss social protection it becomes very clear that in principle there is no difference between diaconia in Sweden and international development cooperation. There is a direct link between commitment to social protection in developing countries and the Church’s Easter Appeal against changes to Swedish sickness insurance in spring 2011. Speaking out in support of those denied sickness insurance in Sweden is fundamentally the same issue as speaking out globally about the fact that every human being has the right to a life in dignity.

Archbishop Anders Wejryd
About the authors

GUNNEL AXELSSON NYCANDER:
Gunnel Axelsson Nycander works on issues concerning food security, agriculture and climate change as a policy adviser at the Church of Sweden’s international department. She is a social scientist focusing on environmental economics and economic history and has also worked on issues concerning corporate social responsibility and international trade, the environment and development. She has previously worked as an environmental economist at the Swedish Ministry of the Environment and as an independent consultant.

GÖRAN HOLMQVIST:
Göran Holmqvist wrote his contribution to this anthology while working as a policy analyst at the Nordic Africa Institute in Uppsala. In autumn 2011 he completed the PhD thesis Perspectives on Inequality and Social Protection. Göran Holmqvist has for many years had various management positions at the Swedish International Development Cooperation Agency, Sida. At present he holds the position as Associate Director of Research, UNICEF/Office of Research-Innocenti in Florence.

JOSEPH HANLON:
Joseph Hanlon is a visiting senior research fellow at the International Development Centre of the Open University, Milton Keynes, England, and visiting senior fellow at the London School of Economics. He is a journalist and author or editor of more than a dozen books, looking at how the international context can be changed to give people in the Global South more power over their own development strategies. His most recent book is Just Give Money to the Poor (with David Hulme and Armando Barrientos), published in April 2010 by Kumarian.

CLAUDIA AND DIRK HAARMANN:
Claudia and Dirk Haarmann have worked in the field of social development and theology in Southern Africa and Germany, for churches, unions, governments and parliaments. Both have a doctorate in social development from South Africa and a Master’s degree in theology from Germany. From 2003 to 2010 they coordinated the BIG coalition’s campaign and pilot project in Otjivero, Namibia. Since 2010 they have headed the Theological Institute for Advocacy and Research in Africa (TARA) in Windhoek, Namibia.
EDMOND ODABA:
Edmond Odaba is programme coordinator of the Africa Platform for Social Protection (APSP), a network of civil society organisations. His overall responsibility is to provide technical support in developing a network for African civil society organisations which work together to create functioning, social protection systems across the continent. He particularly works with the APSP members’ national platforms to ensure that they have the resources and the expertise they need in their lobbying work.

MIGUEL NIÑO-ZARAZÚA:
Miguel Niño-Zarazúa is a Research Fellow at the World Institute for Development Economics Research of the United Nations University (UNU-WIDER) where he works on the concerns of poverty, inequality and social sector policy in developing countries. Previously, he was a Research Fellow at the Brooks World Poverty Institute and the Chronic Poverty Research Centre at the University of Manchester where he investigated the long-term effects of social transfer programmes in developing countries. Miguel has served as advisor to, and worked on projects funded by, the World Bank, the ILO, UNICEF, Dfid, Sida, Danida, and national bodies and voluntary organisations in Latin America, sub-Saharan Africa and South Asia. Miguel holds a PhD in Economics from the University of Sheffield, in the United Kingdom.

SOFIA NORDENMARK:
Sofia Nordenmark works on a rights-based perspective and on lobbying for human rights at the Church of Sweden’s international department. She is a lawyer specialising in human rights and has worked on human rights at Comisión Andina de Juristas, the Maya organisation Wuqub’ Noj, Amnesty International’s International Secretariat, the OAS Peace Mission in Colombia and in managing aid at Swedish voluntary organisations.

REBECCA HOLMES:
Rebecca Holmes is a researcher at the Overseas Development Institute (ODI), specialising in research and policy advice in the fields of social protection and gender. Since graduating in gender and development from the Institute of Development Studies (IDS), Sussex, she has headed research projects in South Asia, South-East Asia and Southern Africa. The projects studied social protection from a gender perspective, investigated the opportunities for social protection systems in unstable and conflict-torn areas, and evaluated the importance of social protection for social integration.
NICOLA JONES:
Nicola Jones is a researcher at the Overseas Development Institute (ODI), specialising in research and policy advice in the fields of social development, social security, gender and childhood. She has a doctorate in political science and has headed several country studies with a gender and children’s perspective, addressing social protection policy in several countries in Asia, Latin America, and West and East Africa. Nicola Jones is particularly interested in how and why research expertise is taken on board by political decision makers and practitioners in development cooperation.

SVEN E O HORT:
Sven E O Hort is professor in Social welfare at Seoul National University, Korea. In Sweden he has taught sociology at Linnaeus and Södertörn universities. He is the author of a number of scientific articles and books, mainly on the development of welfare states in Scandinavia, around the Baltic and in East and South-East Asia. Welfare, urban development and social policy are his main areas of research. He is deputy editor of European Societies, the journal of the European Sociological Association.

ELISABETH GERLE:
Elisabeth Gerle is Senior reader of Ethics at the Church of Sweden’s Secretariat for Theology and Ecumenism, associate Professor at Lund University and adjunct Professor of Ethics, particularly human rights, at Uppsala University. Elisabeth Gerle has written on religion and politics, most recently in the book Farlig förenkling (Dangerous Simplifications) published by Nya Doxa 2010 and on the close ties between the reformation and nation building in Scandinavia. She has also spearheaded new Lutheran research, the first result of which is the anthology Luther som utmaning (Luther as a Challenge) published in 2008. Elisabeth Gerle is currently writing a book on Luther, body and sexuality.
A number of national social protection systems have been developed in recent years in countries such as Mexico, Brazil and South Africa, but also in poorer countries such as Ethiopia and Lesotho. In their respective articles Göran Holmqvist, Joseph Hanlon and Miguel Niño-Zarazúa describe how thorough follow-up of these child benefits, social pensions, etc. demonstrates tangible positive effects on malnutrition, health and school attendance. One particular effect is a reduction in child malnutrition. Children in families receiving financial support are taller than others – a clear sign that they have received more, and more nutritious, food over a long period (ILO, 2010; DFID, 2011). The example from Namibia of the basic income grant, “BIG”, in Claudia and Dirk Haarmann’s article clearly illustrates how quickly a serious problem such as child malnutrition can be reduced when the family’s income increases.1

Poverty is most widespread among women. Women are also employed in the informal economy to a higher extent than men and thereby excluded from contribution-based social insurance. Hence, potentially, social transfers would particularly improve the situation of women. Yet in their article Rebecca Holmes and Nicola Jones show that the positive effects on the economic and social situation of women are not automatic but demand a conscious strategy.

In Sweden we have our own experience of the importance of social protection. It was not only industrialisation and economic growth that gave rise to a dramatic reduction in social deprivation in Sweden in the first half of the twentieth century. It was also the introduction of elements such as social pensions, unemployment benefit, public work programmes and child benefit.

Today fundamental social protection is something we naturally expect of a modern society. Although the design of social protection systems has often been one of the most important dividing lines in political debate, there has nevertheless been consensus on the basic principles. In his article Sven E O Hort shows that when Sweden introduced a general old age pension in 1913, the first country in the world to do so, there was broad agreement on the decision. Support was strong, particularly from rural conservative members of the Swedish parliament who knew how weighty a burden poor relief placed on local government in rural areas. Today there is widespread

1 Within humanitarian aid too, cash payments have come to be used increasingly in recent years and many of the questions raised regarding this new approach are similar to those discussed here. This anthology, however, addresses cash grants as a means of promoting long term development and combating poverty.
consensus in all parliamentary parties on the fundamental elements of Swedish welfare policy.

Growth alone is not enough
Human rights dictate that every individual, wherever they are born, has the right to a life in dignity, which includes a reasonable standard of living. For the past almost ten years, the aim has been for Sweden’s development cooperation to be steered by a human rights perspective, derived from human rights. The Church of Sweden’s international work must also be guided by a rights-based approach. If we take the human rights perspective seriously, it is hard to reach a conclusion other than that social protection is required to fulfil the fundamental rights of disadvantaged people.

As the article by Sofia Nordenmark shows, the right to social security is also enshrined in the UN Declaration of Human Rights, and has been exhaustively interpreted by the UN’s Human Rights Committee.

As will be seen, it is entirely possible to argue that support for social protection should be afforded greater importance in development cooperation, both from a human rights perspective and on purely economic grounds. In development discussions, the term “trickle down” is often applied – the theory that economic growth automatically benefits the poor. The idea is that, when the rich spend their money, some of the wealth trickles down to the poor, so creating jobs and incomes for the worse off. The growth of social protection in the West could be seen as a sign that “trickle down” is not sufficient to reduce poverty in a society. Growth alone is not enough without systems to redistribute that growth.

WHY HAVE AID DONORS NOT ADVOCATED SOCIAL TRANSFERS?
Despite clear signs that they produce results, and despite our own historical experience, up until now Sweden and other aid donors have only to a very limited extent advocated and supported the development of transfer systems in poor countries. This is also true of the Church of Sweden’s own aid work. To what is this lack of interest due?

Unwillingness to invest in social transfers has been based on a variety of arguments. Opposition on the part of public aid donors seems often to have rested on economic arguments – social protection has been seen as something that limits rather than something that stimulates economic growth. For civil society organisations, their unwillingness or lack of interest seems primarily to be on ideological grounds – cash transfers have simply not been perceived to be in line with the dominant strategy of “help to self-help”.

Is economic growth hampered or encouraged?
Economists have often assumed that social transfers in developing countries will hamper economic growth. It is thought that people who receive grants will work and save less than others, holding economic development back. And even if transfers are not seen as a brake, it is recommended that developing countries invest their extremely limited resources in “productive investments” which produce economic growth rather than increased welfare in the short term. Growth is considered to be most important because in the long run it leads to a greater and longer lasting reduction in poverty (Scott, 2009; Loewe, 2008).

This anthology shows that many economists have changed their minds in this respect. A large amount of economic research shows the reverse, that social transfers can in fact contribute towards economic growth. Göran Holmqvist, Miguel Niño-Zarazúa and Joseph Hanlon point to the fact that social transfers can encourage economic growth, particularly such growth that involves and benefits the part of the population that lives in poverty (known as “pro-poor” or “inclusive” growth). Social transfers are an important investment in “human capital” – healthy, well-nourished and educated people help the country’s economy to grow. And people are not made passive by gaining access to fundamental social protection. Instead, their ability to work increases when they are not hungry, when they can afford healthcare and can allow their children to attend school. It has been shown that – in the words of Göran Holmqvist – “hungry wolves do not hunt best”.

It should be pointed out that this applies to grants at the low levels applied in developing countries. The argument is therefore not automatically applicable to the Swedish debate on levels of compensation in its social security systems.
People’s desire and ability to take risks is affected by social transfers. Experience shows that if people have basic security, they are prepared to take the risks involved in seeking work or starting a business. Reduced unemployment and increased entrepreneurship in the village of Otjivero in Namibia clearly illustrate this – one woman started her own bakery, others started sewing clothes or selling ice lollies, while others sought work in the city. Here too there are parallels with Sweden, where the welfare system is considered to be one of the causes of relatively high workforce mobility. However, it is not only the increased opportunity to take risks that leads to more small businesses being created when people receive regular cash transfers. Another – possibly more important – cause is an increase in demand at local level.

In discussions of agriculture and rural development, the importance of local markets is often highlighted, as is the fact that farmers must receive support to increase their production. However, one factor that is sometimes forgotten is that in order for a local market to exist, there must also be someone who can afford to shop. As Joseph Hanlon points out in his contribution, social transfers help to create demand in local markets. More people can afford to buy what is grown, manufactured and served locally – and the local economy is able to develop (ERD, 2010).

Isn’t it too expensive?

But isn’t it still unrealistic to imagine that poor countries can afford to hand out money to their penniless citizens? However much good it might do, the money quite simply isn’t there, is it? If we imagine social protection systems on the same scale as in Western Europe today, amounting, in round figures, to 15 percent of the country’s GDP, it is true that this would be impossible, and would demand taxation systems much more developed than they are now. However, start on a small scale, just as Sweden once did, and significant results can be achieved at a surprisingly low cost – particularly compared with other areas in which the governments invest.

Göran Holmqvist points out that today over 70 percent of the world’s poor live in medium-income countries, in other words, countries that have the capacity to fund basic protection systems themselves. If this figure is compared with the fact that only approximately 20 percent of the world’s population has effective access to overall social protection (ILO, 2010b) we can see that there is economic scope for developing social protection systems such that they reach a considerably larger proportion of the world’s poor than they do today.

Help to self-help doesn’t help everyone

The fact that non-governmental development organisations have shown so little interest in social transfers may partly be explained by the fact that for a long time many organisations have emphasised the function of aid as being “help to self-help” (Künnemann & Leonhard, 2008; Loewe, 2008). On its website the Church of Sweden’s international department writes about every person’s ability to improve their own situation themselves provided that the conditions are in place. It says that the organisation’s development...
projects give people the tools they need to support themselves and their families and that help to self-help combats hunger and poverty, leading to reduced dependence on aid.

The self-help ideology can be seen as a reaction to the original emphasis of aid work on short-term assistance. Instead of only meeting people’s immediate needs for food, healthcare and education, it is felt that there should now be more of a focus on developing people’s long-term capacity to support themselves. Instead of charity to passive recipients, the aid is seen as support for active people with the ability to build their own future. Instead of giving hungry people a fish, we should teach them how to fish, as the popular saying has it.

One clear expression of the self-help ideology is the Church of Sweden’s emphasis on “local resource mobilisation” and microfinance. Giving poor people an opportunity to borrow and save money can liberate their potential to start a business.

The emphasis on “help to self-help” has been necessary in many respects and has helped to change a deeply rooted picture of poor people as passive recipients of aid. But perhaps the pendulum has swung too far. Today we can see several significant limitations in the self-help strategy.

Are we reaching the poorest of all?
In practice many people are excluded from development projects that seek to increase people’s earning capacity. Often those excluded are actually the most vulnerable. As a rule the “poorest of the poor” have no land and are therefore unable to participate in agriculture projects. Children, the elderly and the sick lack the capacity to work required to participate in income-generating projects. For many of them there is no reason to believe that they would ever be able to earn a living. In the West, we do not expect the old and the sick to be able to support themselves – why do we then believe that they could do so in poor countries? Is it not the case that whilst we have often criticised the “trickle down” theory in the general economic debate, we still believe that it works at local level – if the farmers’ harvests increase, will all the children and the ill and landless people in the village be better off?

The “Hunger studies” by the German church-related development organisation Bread for the World gives a clear example of how development projects often fail to reach the most vulnerable of all. In case studies from eleven countries the organisation surveyed those who were hungry, and why, in the areas where they financed agricultural projects and other projects that sought to reduce poverty and hunger. The study showed that those who were worst exposed to hunger tended not to have “self-help capacity” and remained outside the scope of the projects. At the same time it found that the cost of “topping up” the incomes of malnourished people enough to enable them to access a sufficient amount of food was surprisingly low – between the equivalent of five and twenty euro cents per person per day (Brot für die Welt, 2005; Rottach & Walter, 2006).

Similar conclusions have been drawn in the microfinance context. Exaggerated expectations of the capacity of micro credits to help combat poverty have often been based on an extremely simplified picture of poor women starting successful companies once they are able to borrow enough for a goat or a sewing machine. In reality not all people can – or want to – become entrepreneurs, in a developing countries or in Sweden. Microfinance plays an important role by giving poor people an opportunity to borrow and save, and possibly by offering insurance solutions that help people to cope with emergencies such as illness or death. However, it is not a universal panacea capable of single-handedly reducing poverty on a broad front – particularly not when key prerequisites such as basic social protection are lacking.

There are many examples of organisations around the world which have long had a major focus on microfinance but which have found that considerably wider-ranging investments are needed to reach the very poorest of all. One obvious example for the Church of Sweden is the organisation RDRS Bangladesh, which supplements its microfinance with a government funded “ultra poor programme”. This offers to the most vulnerable practical vocational education, subsidised micro-loans and healthcare. Other organisations also include, in practice, elements of cash support to support the most vulnerable of all (e.g. those with HIV).

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4 For more than 40 years one of the Church of Sweden’s partner organisations.
In the aid sphere people often say that they are working with “the poorest of the poor”. However, experience shows that it is very difficult to do this in practice. Possibly general grants are the best option for actually helping the most disadvantaged of all.

**Can the poor be trusted to spend the money wisely?**
Alongside the economic and ideological objections to social transfers as a means of reducing poverty and hunger, there are more or less implicit arguments founded on our perception of people who live in poverty and their ability to handle money.

Do we trust that poor people themselves are capable of deciding how best to spend their money? Or to spell it out: can we trust that they won’t just spend it on, for example, alcohol? This argument is frequently used in the debate on the basic income grant in Namibia and, even if it is not always as explicitly stated, in other contexts too there is often a lack of trust in the abilities of poor people. In the aid debate there is sometimes talk about the “deserving poor” – only those who behave well deserve access to support (Künnemann & Leonhard, 2008).

Here there are clear parallels with the debate on poor relief and welfare systems in Sweden in the twentieth century. For a long time it was thought that the poor should be “made civilised” and many reformers wanted to make all transfers conditional upon behaviour. For those of us who often talk about “help to self-help” it is salutary to realise that precisely this concept was used by those who emphasised the individual’s own responsibility for their own situation. They were opposed to the idea that individual poverty was primarily a consequence of an unequal society; that it was primarily society, not the individual, which was the problem (Qvarsell, 2003).

In Sweden the emphasis on the individual’s own responsibility for their life situation gradually gave way to a completely new approach – the idea that all citizens have the right to a certain level of basic protection, however they live. Today it is taken for granted that all citizens have the right to a certain basic level of protection and no parents, for example, have to account for how they spend their child benefit. Do we have the same trust in and respect for people in poor countries? If not, what does that say about our view of human beings, our prejudices and our understanding of human rights?

More and more donors agencies – governmental as well as non-governmental – emphasise that today aid must be given from a human rights perspective. As Sofia Nordenmark writes in her article, this means that those to whom the aid is targeted have the right to define their own problems and to determine what needs to be done for them to be able to influence and to improve their quality of life. They have the right to know what their rights are and the right not to feel dependent on hand-outs. The state must take responsibility in its turn for fulfilling the rights of each person. Aid initiatives must be designed such that they combat discrimination against disadvantaged and marginalised groups, and these groups must be empowered. This rights-based perspective cannot be reconciled with the view that poor people should only have access to social transfers if they use the money sensibly.

So what does it look like in practice? Experience shows – as we will see in several of the chapters – that whether the money comes in the form of pensions, child benefits or family grants, as a rule families use it for their children’s best interests. Joseph Hanlon sums up that roughly half of the money is spent on obtaining more and better food, the rest is spent on school fees and clothes for children, and on various investments to increase the family’s income in the future.

Alongside the economic and ideological arguments against social transfers there are also other objections which may have contributed towards the lack of interest on the part of donors and which it might be worth examining in more detail.

**Who is independent?**
One often mentioned objection to social transfers is that they are said to create (aid) dependency (Künnemann & Leonhard, 2008). This is only partly true. For many people, access to basic protection can increase their opportunity to obtain a job or other means of providing for themselves. In those cases, transfers can contribute to reducing dependency.

For those people who are unable to earn a living, it is plain that once they gain access to social transfers they become dependent on the money continuing to come in. If the state does not see transfers as a long-term undertaking, this dependence naturally becomes problematic. However, the basic idea behind social transfers is not that they should be temporary but that
they constitute an expression of the state’s obligation to look after its citizens. The question is therefore how great a problem such dependence is.

People who are unable to provide for themselves are always dependent on others. Such dependence becomes problematic if it is not mutual and above all if one party is much stronger and also exploits their superior position. A poor woman in Malawi who receives child benefit is naturally dependent on the authority that issues the benefit but the risk of the state exploiting its superiority is perhaps less than that of a relative, neighbour or local trader doing so, which may be the alternative. Dependence on the state is safeguarded by rules that protect the interests of the weaker party. It does not therefore necessarily have to be worse to be dependent on the state than on relatives, neighbours or local elites, provided that the benefits are a right rather than something that the recipients are supposed to feel grateful for.

A new form of dependence can in some cases mean liberation from existing and very unequal dependency relationships in local society. In the village of Otjivero in Namibia there are concrete examples of how poor village residents have gained the courage to question and challenge powerful people in the local environment in a way that would have been completely unthinkable before they gained basic financial security (Claudia Haarmann & Petrus Khariseb, personal communication, May 2010). Perhaps the new dependency relationships that social transfers create can also be seen as something positive, as a step on the road towards developing a legitimate state and a social contract in which the state contributes positively towards people’s welfare.

Does social protection undermine traditional safety nets?

In many poor countries today people’s social protection is entirely dependent on the family, the clan or neighbours. There is often a strong tradition of sharing and looking after each other. How are these traditional safety nets affected by the introduction of social protection provided by the state? And how are state social protection systems in turn affected by their traditional counterparts? Some of the objections to social transfers that are sometimes voiced are that they will crowd out and weaken traditional safety nets (Scott, 2009; Künnemann & Leonhard, 2008; Loewe, 2008). This argument is possibly sometimes coloured by a romanticised image of the strength of family ties in poor countries, in contrast to our own part of the world where impersonal authorities have replaced much of the personal care provided by social networks.

Experiences so far show that traditional safety nets have a major impact on which people benefit from social transfers in practice. People share – including their benefits. A study from South Africa indicated that children who have a grandparent who receives an old age pension are on average several centimetres taller as adults than others – a sign that the elderly share their benefits and that the children are getting more nutritious food (see Holmqvist’s contribution). Several of the articles in this anthology show that social protection reduces the burden on the informal safety nets in that the most disadvantaged of all avoid having to ask friends and neighbours for help to survive. A clear result of several trials of social transfers is that they have led to a reduction in begging, which has been experienced as very positive by everyone involved (Künnemann & Leonhard, 2008).

It can be added that even if the traditional safety nets are still strong, in many poor countries they are becoming weaker all the time, primarily due to changing social relationships caused by urbanisation. They will thus gradually need to be replaced by something else.

Reform or revolution?

Finally, a completely separate argument for why social protection has not received the attention it deserves among aid organisations comes from an entirely different direction. One reason why civil society organisations have been involved in the development of social protection to such a limited extent, particularly in Latin America, may be that many civil organisations are striving for much more extensive social change than social protection is capable of achieving, at least in the short term. For them, social transfers risk preventing more radical but necessary change by reducing people’s willingness to protest against the authorities (Künnemann & Leonhard, 2008).

We recognise this argument from the debate between revolutionaries and reformers that long characterised left-wing politics in Sweden too. In Sweden in the first decades of the twentieth century the labour movement showed little interest in the debate on social reform. Instead proponents were focused on a
radical levelling of class differences (Qvarsell, 2003). In our part of the world at least, most people today would probably agree that economic equality is best achieved through gradual change and that social protection can play an important role. However, it should be pointed out that the transfers that are discussed here seek to guarantee a minimum standard for the most disadvantaged in society, not to even out income disparities in a drastic way.

The radical objections to social protection remind us of one important risk: if people are dependent on social protection, they risk becoming less inclined to demand their rights and to question local representatives of authority. This is one important reason why the systems should be as simple and clear as possible. If the rules leave scope for subjective interpretations of who has the right to receive different kinds of support, the risk of arbitrariness and corruption increases, as does the risk that people at local level will refrain from protesting against abuses of power and similar on the part of authorities. As Sofia Nordenmark writes, this is an important argument for universal rather than means-tested support.

A RESPONSIBILITY OF THE STATE

The responsibility of the state and local authorities for building up social protection is absolutely fundamental (OECD, 2009; ERD, 2010). No other actor can or should take upon itself such an extensive and long-term undertaking. Social protection is an important cornerstone in developing a social contract in which the state is responsible for the fundamental protection of people and the citizens contribute through taxes. The links between social protection, institutions and the degree of social trust in a society are important but hard to substantiate. Goran Holmqvist describes how political scientists point out that social protection can help to create a social trust that is necessary for building good social institutions, including tax systems. Such a connection fundamentally depends on the social security systems being so simple and transparent that they do not lend themselves to corruption.

The state can take up this responsibility in many different ways. Social protection can be targeted or universal, demand certain behaviour from the recipient in return or be unconditional. How it can and should be designed in a particular country depends entirely on the political situation and the conditions in that particular country. Just as in other discussions on development models there is no ‘one size fits all’ solution.

THE ROLE OF CIVIL SOCIETY

The fact that the state bears the main responsibility for providing social protection does not mean that the civil society is less important. Depending on the local and national context, civil society organisations can play several important roles and we can see examples of these among the Church of Sweden’s partner and international networks:

HELP PEOPLE TO ASSERT THEIR RIGHTS. One important task is to inform people of their rights and help them make use of the social protection to which they are entitled. Educating and informing people about their rights, working with empowerment so that people’s opportunities to demand their rights increase, assisting people in encounters with authorities, and training and informing authorities about their obligations are important ingredients. The Church of Sweden works with its partners in different ways to increase people’s capacity to assert their rights. The organisations in India that inform people of their right to 100 days of work under the 57 Mahatma Gandhi National Rural Employment Guarantee Act is a good example (MNREGA, see Holmqvist’s article).

MONITOR IMPLEMENTATION. For organisations with a local presence, work to help people assert their rights can be taken a step further – in a monitoring role. In order for transfer systems to work as they should, it is important that there are organisations able to draw attention to mistakes and blow the whistle when representatives of local authorities are corrupt. Monitoring the implementation of various cash transfer programs is, for example, an important task of local community organisations, Federations, created by RDRS Bangladesh. The human rights perspective teaches us the importance of systems being so simple that people themselves know when they are entitled to benefits.

ADVOCATE FOR THE DEVELOPMENT OF INCLUSIVE SOCIAL PROTECTION. Civil society plays an important role as an active voice in political debates with the potential to mobilise popular opinion. The national
Political process is crucial to how and whether countries introduce social protection. Initiatives such as the Africa Platform for Social Protection (APSP) discussed in Odaba’s article can help to get social protection on the political agenda. The BIG (Basic Income Grant) pilot project in Namibia is another example, where the purpose of the pilot project was to provide in-depth evidence for the advocacy work carried out by the BIG coalition.

Participate in the Implementation of Social Protection. Through their local presence and infrastructure, civil society organisations can assist authorities in the implementation of social transfers. Many local civil society organisations have built up a capacity and an outreach which means that they reach further into society than the national institutions are able to. There is often a good partnership between local authorities and these organisations. In this sense it can be natural for a state to make use of the advantages that civil society organisations often possess. This may involve everything from using the banking systems of microfinance institutions to pay state benefits, to joint assessments of target groups for a certain initiative or making use of the organisation’s specific expertise. The organisation RDRS Bangladesh, used as an example again, receives state support for an “ultra poor programme” channelled via their microfinance organisation. The state here makes use of the fact that RDRS reaches much deeper into rural areas on a regular basis and that it has good administrative management in place to carry out initiatives targeted at the most disadvantaged of all.

Complement National Social Protection. As long as national social protection is poorly developed, there are needs that private systems can meet. In many cases, and for various reasons, countries cannot afford or do not prioritise offering formal social protection to the most disadvantaged. The introduction of privately funded insurance solutions can compensate for these deficiencies to a certain degree. These may involve everything from agricultural insurance to health insurance. In many societies there are local, traditional insurance solutions that flourish in parallel with the formal systems. These have grown up due to authorities’ local absence and lack of resources. One example is the Edirs in Ethiopia – local funeral savings funds that help to cover the costs of family members’ funerals, which have traditionally had a very important role in Ethiopia and are often very costly. These informal institutions often play an important role in the local society and local authorities can see them both as a threat and as important local partners. These informal structures are often of major importance and need to be taken into account in the local design and implementation of state social protection solutions.

In several of these roles the civil society organisations can work to ensure that the social protection systems introduced are designed and implemented so as to improve the position of women. If social protection systems are not designed on the basis of an analysis of women’s vulnerability and with a clear ambition to strengthen the role of women, there is a risk of missing important opportunities and actually, as Rebecca Holmes and Nicola Jones write, making the situation of women worse.

The fact that there is potential for civil society to play a driving role in the introduction of social protection does not mean that this will be the case, or that the conditions for this to happen are in place in all contexts. As Miguel Niño-Zarazúa shows, civil society organisations have not played any significant role in introducing and developing the major transfer systems in Mexico.

The Role of the International Community
In general it has been the national political dynamic that has driven the growth of social protection in developing countries – not the advice or financial support from donors. In recent years, however, a number of aid donors have actively attempted to further this development, not least in Africa.

However, success has been mixed. After rapid progress in the early 2000s there are signs that development has ground to a halt. In a self-critical analysis, some of the organisations that have long worked on these issues describe why aid donors have not been more successful in promoting the development of national social protection in Africa (Centre for Social Protection, 2010). One fundamental deficiency of the efforts made so far is that they have focused excessively on introducing ideas and models for transfer systems from outside rather than working from the priorities and systems that exist in the country concerned. Instead of starting pilot projects and attempting to use these as role models for state-run initiatives...
– which is rarely successful – lessons must instead be
learned from the state-run programmes that do exist,
building further on these.

Development cooperation can play an important
role by helping to strengthen the capacity of the au-
thorities and also to finance the initial investments
in building institutions that are necessary for imple-
menting social protection programmes. As a basic
principle, however, the transfers should be funded
through national taxation. Firstly, social protection
involves long-term undertakings that demand greater
long-term thinking than can be provided by foreign
aid. Secondly, taxation and transfers constitute dif-
ferent sides of a social contract.

However, there may be an important exception to the
principle of national financing. In the climate debate
social safety nets and social protection are often cit-
ed as one of many important ways of adapting poor
countries to climate change (CCD, 2009). The indus-
trial countries, which have caused the majority of cli-
mate change, have undertaken to support the climate
adaptation of developing countries. Where social pro-
tection constitutes part of countries’ climate adapta-
tion and is funded through the new sources of climate
financing being discussed today (Sandahl, 2011), it
can also be imagined that they could be financed
through international aid even in the longer term.

**THE ROLE OF THE CHURCHES**
The churches have a particular role in civil society – a
role that may be of importance in the development
of social protection. In historical terms the church-
es have been responsible for a majority of the social
protection and social services that poor people have
been able to enjoy in developing countries, through
the healthcare and the schools which missionaries
and churches set up in the past and in many cases
have continued to finance.

In Sweden Lutheran theology, with its clear distinc-
tion between church and state, has contributed to-
wards reducing the church’s immediate responsibility
for people’s welfare. At the same time the foundations
of the idea of the welfare state were laid, as Elisabeth
Gerle states in her article. As a representative of the
local authorities, the church has simultaneously been
deeply involved in the social responsibility of society
long into the modern age. For a long time the priest
was always the chair of the local poor relief com-
mittees. Following a lengthy process, the Church of
Sweden is no longer part of the state and now has no
direct responsibility for welfare.

When more emphasis is placed on the state’s respon-
sibility for people’s welfare, and social protection
becomes an expression of a rights-based perspective
in which all citizens have certain fundamental rights,
the role of the churches changes fundamentally. In
several African countries, large hospitals and educa-
tional institutions have long been financed by church-
es and church based development organisations. It is
likely that the church’s involvement in the health and
education sector will continue to remain strong but in
many areas there is a clear desire for these institutions
to be increasingly funded by the state and run on the
same terms as the national institutions.

Furthermore, the churches are playing an increasing-
ly important role in work to promote the introduction
of social protection and in guaranteeing the quality
of health and education services and of transfer sys-
tems. Churches in developing countries share this
role of influencing public opinion with the churches
in Sweden, as shown, for example, by the involve-
ment of the Church of Sweden in the Easter Appeal against
changes to sickness insurance in Sweden in spring
2011.

With their long experience of social work – and being
possibly the only institution with a presence at local
level in many areas – the churches have every oppor-
tunity to play all the roles that we have previously
highlighted for civil society.

**CONCLUSION: FROM CHARITY TO A RIGHT**
After many years of the emphasis being on aid as
help to self-help, the pendulum may be swinging back
again. With the rising interest in social protection as
a method of combating poverty, we are in a way back
to “charity’s” emphasis on meeting people’s immedi-
ate need for food, housing and healthcare. However,
there are some crucial differences. Social transfers are
derived from the rights of the recipients and thereby
the obligations of the state – they are not something
given out of pity or as a manifestation of the donors’
generosity. One important aspect of the rights-based
perspective is that social transfers are made on the
basis of an established regulatory framework. Only
when the support is regular and predictable can people plan their lives for the long term, so that transfers can have the positive impacts on people's lives that we have seen are possible.

The social protection debate challenges the working methods and identity of aid organisations on a very concrete level. We are used to carrying out or financing projects. Instead of giving people cash in hand, and trusting them to spend it in the best way, we tend to organise activities and investments. This may be good for building infrastructure, introducing new ways of thinking and new techniques, but is possibly not always the best way of reaching the very poorest and reducing poverty in its most explicit form.

Petrus Khariseb from the Evangelical Lutheran Church in Namibia has worked on the Basic Income Grant pilot project in the village of Otjivero as described in the Haarmanns' article. He has previously worked on a number of different development projects, but says that he has never seen anything that has produced as fast and as positive results for the same cost as the pilot project in Otjivero. His personal conclusion from this is that in the future his organisation will no longer run development projects but will instead influence the government to introduce such social protection as is necessary to reduce poverty in the country.

This is a drastic conclusion. We should remind ourselves that the situation is different in different countries and contexts. There are many reasons to continue to run projects to spread and develop knowledge. We also know that the positive results of social protection best arise if the systems are part of a coherent whole in which cash support is supplemented by healthcare and education. However, if the aim is to reduce poverty and vulnerability in broad groups of the population, there is much to indicate that it would be sensible in the future to devote considerably more energy to promoting the growth of social protection than we do now. The European Report on Development, issued by bodies including the European Commission, addressed social protection in 2011. One of the central conclusions of the report is that today social protection is “the missing piece of the development puzzle”. It is easy to agree with this.

So far away, yet so close

Discussions about development cooperation tend to be about people far away; people who exist in a completely different reality from us. It can be easier to keep a certain distance and not compare the lives of the poor with our own existence overly explicitly. But in the social protection debate there are many parallels with Sweden, both historically and today.

The situation is different in Sweden compared with very poor countries. Changes in pensions and levels of sickness benefit cannot be compared with the cash transfers we have discussed here, i.e. fundamental support that helps people to gain access to sufficient nutrition and rise above the level of absolute poverty. But the underlying questions remain the same. Does financial assistance make people passive, or does it instead give people an opportunity to look to the future? Should the various benefits be universal or means-tested? In many other aid issues developing countries are seen as very different. Here instead we see the parallels. The discussion becomes familiar and easy to relate to our own lives.

Today there is broad political consensus on the cornerstones of the Swedish welfare system. This consensus ought also to apply when discussing the role of social protection in poor countries. Based on its long term national experience, Sweden ought to be able to support the development of social protection as a central element of development cooperation. And, as Joseph Hanlon would like to see, Sweden should work for internationally funded social pensions and child benefits.
Social protection on the development agenda

Social protection — such as child benefits, pensions and sickness insurance — has been introduced in a number of developing countries in recent years. As a rule, the initiatives have had domestic roots, but social protection has also become an important issue on the international aid agenda. In this article Göran Holmqvist provides an overview of what we know today about the effects of social protection at an individual as well as at society level. He also discusses the economic, political and administrative conditions that need to be in place if social protection is to be introduced.

Millions and millions of poor people in the world's developing countries have been included in various types of social protection system in recent decades. This has even been described as a “silent revolution” (Barrientos, Hanlon & Hulme, 2010). The following list of examples is only a small sample:

- The Latin American countries have attracted attention for their grants to poor households, conditional upon children attending school or health clinics. The highest profile programme is possibly Bolsa Familia in Brazil, which benefits 12 million households.

- Eight African countries now have pension systems covering the majority of the elderly population, the design of which is reminiscent of the social pensions introduced in Sweden a hundred years ago.5

- In India the Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) gives the rural poor the right, enshrined in the constitution, to a hundred days of work a year. It is estimated that this programme affects 44 million households annually.

- We read increasingly less about recurring famines in Ethiopia, which often headed the news in the 1980s and 1990s. Instead we may now read accounts, usually with smaller headlines, of a combined benefits and public work programme benefitting approximately 7.5 million Ethiopians.

- In Kenya a system of school lunches has been expanded and made permanent. 1.3 million children in Kenya’s most disadvantaged provinces now receive free school lunches, and studies have shown a positive impact on school attendance and on results.

Many of these initiatives have been introduced as emergency measures in conjunction with economic crises — in Latin America in the 1990s, in Asia in the early 2000s, in Ethiopia after the famines — before subsequently being developed into permanent elements of national policies. In some cases international aid has been involved as an impetus and a source of funding, but these are exceptions to the rule. Looking at institutionalised systems with a national scope, in the majority of cases the drivers and the sources of funding have been home-grown.

Social protection has recently also gained a prominent place on the global development agenda. Something approaching a consistent international approach appears to be on the way to becoming established. The World Bank, EU, OECD/DAC and UNICEF have all recently established social protection policies which

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5 The countries are South Africa, Mauritius, the Seychelles, Namibia, Botswana, Lesotho, Swaziland and Cape Verde.
advocates for support to the establishment of national social protection systems. All the UN bodies, including the World Bank, have agreed on The Social Protection Floor initiative which calls for a minimum package of social protection benefits, covering old age pensions, child benefit, public work programmes and basic healthcare. In June 2012 the International Labour Conference (ILC) adopted a Social Protection Floors Recommendation.

In Africa the African Union (AU) has set out a framework for the continent’s social policy, which includes social protection as an important ingredient. Also in this framework there are ambitions for a minimum package in Africa similar to the UN’s Social Protection Floor.

Aid donors within the OECD/DAC, including Sweden, have agreed guidelines on how aid should be designed to support these kinds of systems: to build on domestic initiatives in the cooperation countries, make long-term undertakings and, above all, do more.

The EU followed this up by making social protection the theme of its 2010 European Report on Development, which in turn was followed by a Communication by the European Commission and Council Conclusions in 2012. Also some of the world’s “new” donors – India, Brazil and South Africa in the IBSA group – have undertaken to pass on the experience of their social protection systems in an increasingly intensive South-South cooperation.

So is social protection really an important development issue? Is it not merely a temporary hand-aid that takes resources away from essential investment in long-term development? The remainder of this article focuses on the following six critical issues:

- **THE EFFECTS**: What do we know about the effects of these kinds of initiatives? Don’t hand-outs just make poor people lazy?
- **THE COSTS**: Can poor countries really afford it?
- **THE POLITICS**: Is there political support for this or is it just the latest fad among donors and UN bodies?
- **THE DESIGN**: How should these kinds of systems be designed?
- **THE ADMINISTRATIVE CAPACITY**: Is it feasible for poor countries with weak institutions to manage systems like this?
- **ODA**: Has international development cooperation any role to play in this?

**ABOUT THE CONCEPTS**

Firstly, something about what we mean by *social protection systems*. As is often the case with this type of concept, there is no exact agreement on how it is to be defined. The fact that it is “social” indicates that it is something jointly organised, while the word “system” indicates that it involves several measures presumed to work together. So far, we are reasonably clear. But how should the word “protection” be understood?

It might be easier to concretize what it means to be unprotected: Being forced to take your children out of school if the harvest fails, being afraid of your old age because you don’t know what you will live on, ending up on the streets if you have the misfortune to become ill or lose your job – most people would agree that these are examples of when members of a society are unprotected.

But exactly how far should a society’s ambitions stretch in terms of protecting its citizens? And of course protection can be promoted in many different ways. Being able to live in peace and safety, having a job or, as a farmer, having access to technologies that reduce vulnerability to the capriciousness of the climate – all this can be utterly crucial to people’s sense of security. But we categorise measures in these fields as labour market policy, growth promotion or conflict management rather than as “social protection systems”. In other words, the problem of delimitation and differing viewpoints on social objectives make it difficult to establish an undisputed definition. There is no consistent viewpoint on it in the literature.

This being the case, it is easier to pinpoint particular instruments whose primary purpose is to promote social protection. This article primarily discusses publicly organised social transfers and social insur-

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6 Links to these international initiatives are provided in the bibliography:

Social protection on the development agenda.

Social transfers may be benefits in money or in kind (e.g. child benefit or free school lunches) and they may be either entirely unconditional or linked to some form of performance in return (e.g. public work programmes).

Social insurance differs from social transfers in that to a greater or lesser extent it is based on contributions paid by those insured (e.g. a contribution-based pensions system or a health insurance). In the poorest countries, however, it is often hard to apply insurance solutions (more on this below) and in a discussion focusing on these countries, the emphasis is therefore primarily placed on social transfers.

The focus on social transfers should not be interpreted as a disregard for many other public interventions which are of crucial importance to people’s security and protection. The promotion of human rights, healthcare, education, employment, growth etc., may all be seen as pieces in a considerably larger puzzle. Access to services such as healthcare and education in particular are usually highlighted as important complements to social transfers in social protection systems. It is unlikely that anyone would claim that social transfer systems can work miracles all by themselves. On the other hand, it can be claimed that on the development agenda they have long been a missing piece of the jigsaw, with a function that stretches beyond the limited aim of providing temporary relief to some particularly vulnerable groups.

Impact
What happens when you give poor people benefits in a regular and predictable manner? There is extensive literature on this question and countless evaluations have been made of the social transfer programmes set up in various parts of the world in recent decades.

Impact on malnutrition and poverty
Certain studies have attempted to establish what the payments are spent on by simply asking people what they do with them. Perhaps hardly surprisingly, the answer is that they are spent on major items in the household budget – food, healthcare, transport – but they are also invested. It often seems to be the case that people share benefits, primarily within the household but also outside their immediate circle, creating knock-on effects beyond the designated target group. The studies also often find gender differences.

The results of the South African child benefit system indicate, for example, that the direct care of children is given higher priority when the benefits are paid out to mothers and grandmothers.

Other studies are based on overall surveys of the standard of living of households. With these as a basis, the proportion of poor people with and without these contributions included in their household incomes is calculated mathematically. This kind of calculation naturally provides no information on the dynamic effects that may arise, positive or negative, but nevertheless gives an indication of the importance of the transfers. This type of simulation has, for example, calculated that the social transfers in Namibia (at a cost of approximately 2.5 percent of GDP) reduce the proportion of the population in poverty from 26 to 20 percent, with the largest relative impact on the very poorest households (Levine, van der Berg & Yu, 2009). The same type of calculation for the different social transfers in Brazil has been able to show that they play a major role in explaining the evident reduction in poverty and income disparities seen there (IPC/UNDP, 2006).

A third method that tells us more about the actual effects of the transfers is randomised studies. Here villages or households that receive payments are compared with random control groups. The Latin American systems in particular, with their conditional grants to households, have undergone countless evaluations of their effects using this technique, with the gradual introduction of the systems often making it possible to set up control groups. In general, this type of study has shown clear positive results on issues such as nutritional standards, school attendance and health. One study of the South African child benefit system (which unlike the Latin American system is unconditional) was able to establish a significant effect on malnutrition. The study estimates that children in households that receive benefits are expected to become three and a half centimetres taller as adults than the children in the control group (Aguero, Carter & Woolard, 2007).

Another interesting result, this time from Mexico, was published in the prestigious journal the American Economic Review. Here too villages/households that received benefits were compared with randomised control groups and positive effects on consumption and nutritional intake were also found in households.
which did not receive benefits but were located in villages included in the programme. It is thus shown that the programmes can have positive knock-on effects beyond the immediate target group. Similar results have also been found in several other studies (Lehmann, 2010). These knock-on effects may involve the stimulation of local production when people can afford to buy more, people sharing their benefits and the programmes affecting values and attitudes to school attendance and the importance of visiting health centres, for example.

Well-designed systems have thus been found to have an immediate and measurable effect on issues such as nutritional intake, school attendance and health. The results of the evaluations have been an important factor in many countries choosing to expand these types of programmes.

**Impact on economic growth**

In the short term the social transfers involve a redistribution of consumption in the country: the poorest can consume more, which has a major impact on their welfare. Many advocates of these systems also think that they may have an effect on the countries’ development that stretches beyond the individual households. They point out that these systems can also be seen as investments that contribute towards the country’s longer term economic development.

Social transfers are connected to economic growth in several ways. One important link is via the effects on human capital that have been identified: malnourished children who have not completed their schooling represent a waste of resources that damages a country’s long-term development.

Another link to growth arises when grants are used to shop in local markets, so stimulating the local economy.

A third link – which is possibly the most important and the most discussed among researchers – is that improved social protection is a way of addressing poverty traps. This term is used to describe situations where, due to their vulnerability, poor people are forced to minimise risk in a manner that keeps them in poverty. It might involve being forced to refrain from making investments that might produce a high return but involve certain risks, such as trying out a new crop. It might also involve a lack of security meaning that people are unable to seize life chances such as changing sector or moving location in order to earn a living. Countless studies have shown that poor people’s choices – choices that for well-off people can appear irrational or short-sighted – very often reflect a need to minimise risk (ERD, 2010). Natural disasters and financial crises – which are in themselves temporary – can set long-term poverty traps by forcing people to sell their assets, take their children out of school or take out expensive loans that create long-term dependency relationships.

“Hungry wolves hunt best” is an expression sometimes used when people want to point out the risk that benefits will undermine the work ethic. There is much to indicate that as far as people who live in poverty are concerned, the saying should be turned on its head. Hungry but unprotected wolves hunt worse because they have to concentrate so much on guaranteeing their short-term survival. A lack of protection can be economically inefficient.

**Impact on institutions and social trust**

A further link between social protection and long-term development runs through politics, institutions and social cohesion. Societies that are torn apart by internal social conflicts are unable to develop in the longer term. It is also well-established that there is a link between economic inequality and a number of phenomena that hinder a society’s development – violence and criminality, ill health, weak social trust and fragile institutions. Many researchers include social protection systems as one of the elements of the “social contract” that needs to be established if our societies are to function and for them to be able to cope with various kinds of change in a reasonably friction-free manner.

Swedish political scientist Bo Rothstein is one of those who have highlighted the strong links that exist between social trust, social protection and good institutions. He asserts that the issue is one of mutual causal connections. Strong social trust in a society makes it easier to create good institutions, including tax systems, but it is also the case that a state that is capable of delivering welfare can help to create social trust. One condition, however, is that these welfare programmes function well and are impartial, which is easier if they are universal, administratively simple and transparent (Rothstein, 2010). Poorly functioning benefit systems are easily inclined to corruption.
and create dependency relationships with the local power elite, in which case we cannot expect the positive effects to rise. In summary, there are strong theoretical reasons to believe that social protection can potentially contribute much that is positive towards social cohesion, trust and social contracts and thus development in general. However, providing empirical evidence for these links is a greater challenge than surveying their immediate effects.

Do benefits make people lazy?
So what about any negative side-effects of these systems? Are poor Ethiopians made lazy by receiving hand-outs? Do Namibian pensioners go to the pub and drink their benefits? Do teenage girls in South Africa get pregnant to get child benefit?

When people in popular debate want to criticise these benefit systems, they often cite anecdotes like these. Researchers have put a great deal of effort into studying these kinds of undesired effects. One important question has concerned the effect on labour supply and in general the research results do not give any strong grounds for concern, even if the results are mixed. The social transfers in Brazil and Mexico and the Ethiopian public work programme, for example, seem not to have created incentives for households to work less. The benefits are often so small that they hardly encourage laziness. It can also be considered desirable that children, new mothers and infirm elderly people should work less. There may also be, as has been shown, positive effects on employment, such as when benefits create the minimal basic security required for someone in the household to risk seeking a better means of earning a living in another location.

When it comes to child-related benefits, it could theoretically be expected that these might lead to women having more children. Out of concern for such a side effect, some systems have been designed so as not to create such incentives, for example, by benefits only being given for a certain number of children per family. In terms of pensions, the opposite effect could instead be expected, because, provided that people have long-term faith in the pension systems, a protected old age reduces the need to have a large number of children as a kind of alternative pension plan. This is an effect that is also supported by some empirical results (Holmqvist, 2010). In other words, there are ways of designing and balancing these programmes so that they do not have an undesirable effect on the birth rate.

So how do we sum up our knowledge of the effects of social transfers in developing countries? It is relatively well proven that these benefits can have positive and immediate effects on aspects such as poverty, malnutrition, school attendance and ill health. We know that benefits can be spread through the local economy, beyond the designated target group.

A great deal also indicates that these systems should be seen as an investment for the future and not merely as redistributed consumption. Social protection creates long-term development when future generations receive better schooling and are protected from malnutrition and ill health, and when increased social protection enables poor people to better participate in economic development. We can also assume that it has a positive effect on social cohesion, trust and institutions.

The negative effects of these kinds of benefits are limited and can be checked by modifying the design of the system.

Can low-income countries afford it?
Social transfers that affect large groups of the population are expensive and naturally compete with many other vital calls on the national budget. We know fairly accurately what the existing systems cost. The Brazilian *Bolsa de Familia* programme, which affects 12 million households and almost a quarter of the Brazilian population, costs 0.5 percent of Brazil’s GDP. The relatively generous South African social transfers, which affect a clear majority of children as well as elderly people, cost roughly 3 percent of South Africa’s GDP. The social pensions system now found in a total of eight countries in Sub-Saharan Africa and which provides all or almost all elderly and disabled people with small pensions, costs approximately 1.5 percent of GDP. The Ethiopian programme that combines public work programmes with certain benefits, and which affects 7.5 million Ethiopians, costs just over 1.2 percent of the country’s GDP. The In-

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7 See ERD, 2010, section 3.4.
dian public work programmes that affect 44 million households cost approximately 0.3 percent of GDP. Providing 1.3 million Kenyan school children with school lunches has cost about a tenth of one euro per meal (Fengler & Kiringai, 2010).

A couple of percent of GDP may sound a small amount compared with OECD countries, where the cost of different social benefits amounts to an average of up to 20 percent of GDP. But what we need to remember is that in low and medium-income countries, total public revenue, excluding aid, is an average of only 22 percent of GDP and the total cost of healthcare and education amounts to approximately 6 percent of GDP. In the category of low-income countries, tax revenue is often even lower. In such countries an expenditure of a couple of percent of GDP is a considerable expense for the state.

The majority of the examples of transfers discussed here, with a few exceptions, come from medium-income countries. It has been estimated that just over 70 percent of the world’s poor currently live in precisely these middle-income countries, so the fact that successful means of combating poverty in countries in this category have been found is naturally encouraging and extremely relevant. But how does the situation look in the low-income countries – can they afford it? Simulations have been carried out (ILO, 2008) of what it would cost to introduce the minimum package of social transfers advocated by the UN in a handful of African low-income countries: a minimal pension for everyone over the age of 65, child benefit for all children under the age of 14 (maximum two children per woman) and a public work programme (100 days a year for 10 percent of the population). An administrative cost of 15 percent is added on top of these transfers. The results show that the old age pension would be relatively cheap, just over 1 percent of GDP, while child benefit would cost 2–3 percent of GDP and the public work programme roughly 0.5 percent of GDP.

The figures may sound modest from a Western perspective but it should then be recalled that the total tax revenue of an African low-income country is on average about 15 percent. Immediately introducing this package of social transfers in its entirety, solely using domestic funding and with the current tax revenue would hardly be possible in an African low-income country, although in some of the middle-income countries in Africa that are rich in raw materials, the situation is considerably more favourable. But this of course does not mean that a great deal cannot be achieved nevertheless. If the transfers are made less generous in terms of benefit levels and age requirements, or are directed towards smaller target groups, the costs would naturally be lower.

There is thus an opportunity to start small and expand the systems as the financial limitations permit. Furthermore, there is a certain amount of scope for increasing the amount of tax collected and for reprioritising public expenditure. Many countries, for example, have expensive fuel and food subsidy systems which are socially motivated but which benefit poor people to a considerably lesser extent than this type of social transfer would do. Finally, there is an opportunity for external financing with the help of ODA. We will return to this question below.

In summary, the economy sets limits on how much a low-income country can spend in the form of social transfers. However, in the majority of countries there is clear scope to do more than is currently the case and to expand the systems in the future as the economy allows. The examples outlined above show that this is possible.

POLITICAL BACKING

There is a common misconception that this active interest in social protection is primarily an expression of the latest fad in the ever-changing aid agenda. In actual fact, most large and institutionalised systems have grown out of domestic political processes and are domestically funded. When the two relatively aid-dependent countries of Lesotho and Swaziland introduced their social pension systems, it was entirely without the involvement or even the knowledge of any aid donors at all. There are exceptions, such as the public work programmes in Ethiopia and school lunches in Kenya. Here it is true that international aid has played an important role in the programmes coming about, but the countries have still shown strong ownership of them.

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8 Guinea, Burkina Faso, Ethiopia, Tanzania, Senegal and Kenya.
Sometimes there are thus entirely clear conditions for domestic political backing. There is also much to indicate that these types of programmes, once they are in place and once they are seen as successful, have a tendency to be self-reinforcing. They help to create institutions, values, expectations and assumptions on what is possible. In several cases they have left their mark on the political agenda and become important issues in parliamentary elections, as was the case following the introduction of social pensions in Southern Africa (Pelham, 2007).

On the other hand, there are many examples of donor-driven pilot projects that have remained merely temporary due to a lack of domestic ownership. One can similarly suspect that excessive external influence risks undermining domestic ownership if this influence is not handled with care. A well-supported “social contract” demands both a willing state and a committed civil society, and external players should act so as to facilitate such processes for mutual understanding or at the least so as not to disrupt them. One important conclusion drawn among aid donors is therefore that international support should build on local ownership and that care must be taken in exporting certain given models. There is an increasing realisation that the social protection solutions capable of achieving domestic ownership vary considerably depending on the social and political context.

### The Design

One initial question for many countries is about the choice between social transfers and different types of contribution-based insurance solutions. Insurance solutions have many advantages; they can mobilise more resources and create a kind of contractual relationship between the people insured who pay their contributions and the insurance provider, which is good for accountability. The problem for the least developed countries, however, is that the poorest groups are often active in rural areas or in the urban informal sector, which makes it hard to include them in insurance systems based on contributions from formal wages. Informally organised insurance systems, such as funeral clubs or savings clubs, can often play a more important role for these groups.

One way of making social insurance more accessible for poor people can be to use ordinary tax revenue to subsidise them. Experience shows, however, that it is hard with this method to include the poorest, who really need increased protection, as they rarely have the formal and regular incomes required to take part even in subsidised systems. This being the case, state subsidies of insurance systems tend to be regressive, since they benefit the slightly better off rather than the poorest of all. Latin America in particular has had this experience over the years. Still today in many Latin American countries, considerable state funding is spent on subsidising insurance solutions that mainly benefit wage earners in the formal sector, while the majority who live in rural areas or are included in the urban informal economy are left with fewer resources or nothing at all.

In terms of social transfers, there are primarily two choices which are possibly discussed more than others in conjunction with the design of the systems. Firstly: should the grants be given unconditionally without the recipient having to do anything in return? And secondly: should grants be given to everyone in a particular category of the population or should they be means-tested? Arguments can be made both for and against, on practical/administrative, budgetary, political or ideological grounds.

#### Conditional or unconditional grants?

In Latin America the majority of grants are conditional. Conditions are often tied to actions such as sending children to school or taking them to a health clinic. Sometimes the conditions are strictly applied such that benefits are lost if the conditions are not met. Brazil has chosen a less strict structure. The “sanction” if the children fail to attend school is that a social worker makes a home visit. These types of conditions naturally require sophisticated administrative capacity and also presuppose that health clinics and schools exist in the first place. Both these reasons might be one important explanation for the fact that the social transfers established in Africa are rarely conditional.

Another aspect in the debate on these conditions is more political/ideological. Possibly the conditions in actual fact have more of a political function. By fulfilling the conditions, the poor show that they are “deserving” and it becomes easier to defend the programmes politically to other groups in society. Some of the studies of effects of the type cited above, in which attempts were made to distinguish the effect of the conditions by setting up an additional control
means-tested or universal benefits?

Another choice to be made is whether the systems are to be means-tested or more universal, in other words targeted at the entire population or, as is most common, towards broad categories of the population such as children, the elderly or the disabled. Discussions of means-tested versus general benefit systems are familiar from the debate in many OECD countries, where similar arguments may be heard. The more universal systems targeted towards easily identifiable categories of the population have the advantage that they are easier to administer and that they thereby also become more transparent. Everyone being able to make use of them and the fact that this thus makes them harder to abuse can also, at least in certain contexts, make it easier to win political support for them. Nobel prize-winner Amartya Sen’s statement that “benefits meant exclusively for the poor often end up being poor benefits” has proved to have a great deal of truth in it (Sen, 1992).

Another advantage of universal benefits is that there is a minimal risk of them influencing people’s behaviour in an undesirable manner. The downside of identifying target groups based on their level of income, the place they live or even housing standard is that this can lead to people adapting their behaviour so as to fit into the category which receives benefits. With more universal systems the risk of undesirable marginal effects is reduced. Particularly those who place great emphasis on the role of social protection in creating social cohesion and trust tend to emphasise the advantages of programmes which are simple and which treat all citizens equally.

The weightiest reason for means-tested systems has to do with the available budget. Using the same amount of resources, after all, more can be done for a more limited target group, an approach that in certain circumstances can also be seen as fairer. For certain types of programme the administrative requirements associated with means-testing are not a major problem (self-targeting). One example is the Indian public work programme in rural areas, where everyone has the right to a job but the low pay means that only those with a real need will apply. They will also leave the programme if a better paid job turns up elsewhere. Trials have also been carried out of decentralised means-testing in which at village level a group of trusted people is simply asked to select those who are in most need of support. There may exist contexts where a decentralised means-testing strategy could work, but it is also associated with a risk of stigmatisation or abuse of the dependency relationships created by the system.

One quite important distinction, apart from the question of means-testing versus universality, is about the extent to which the programmes are transparent in the simple sense that recipients and people around them know who is entitled to a given benefit. If this condition is met, conditions for control and for demanding responsibility are created from below and from the sides. Systems which have such complicated target group criteria that benefit recipients cannot see through them make it impossible to hold the authorities accountable.

There are good reasons to take a pragmatic approach to questions of how social protection should best be designed. A number of social, political and economic prerequisites dictate the limits of what is possible and these conditions vary from country to country. We should also remember that countries that have a well-developed social protection system often allow different types of models to operate in parallel. Mauritius, which has one of the most developed social protection systems in Sub-Saharan Africa, is one such case. The country introduced universal old age pensions – equal for all – as early as the 1950s. On top of this platform a contributions-based pension system has since been built up which has been expanded over time to now cover approximately 60 percent of the workforce. In parallel with this, Mauritius also has means-tested benefit systems for particularly disadvantaged groups. The systems in Sweden developed through a similar process.

ADMINISTRATIVE CAPACITY

Are poor countries with weak institutions able to operate these kinds of system? And how do you reach people whose nearest bank is a trek of several days away?

Many developing countries, including low-income countries, have clearly managed it so it is by no means impossible. But nor should the challenges be underestimated. The need for simple and easily administered
systems is particularly acute in countries with weak institutions. An involved civil society capable of acting as a source of help and as a watchdog is of great value.

If we look at how countries in practice have bypassed the administrative challenges, we find widely varying solutions. Having some form of institutional solution already in place on which to build further is often a major advantage. Interestingly enough, the solution has often been modern technology. In Namibia ATMs have been placed on vehicles which visit different parts of the country. People who are to receive old age pensions have been provided with bank cards and are identified by digitalised fingerprints. Distribution is run by a private company which tendered for the contract. In Lesotho pensions are instead paid out via the state post offices, as was the case when the Swedish public pensions were introduced in 1913. In Brazil's Bolsa de Familia programme, households are provided with special bank accounts and bank cards and the monthly payments can be made by the central administration without having to pass through any intermediaries.

In countries where major areas lack banks or post office coverage, there are hopes that modern mobile phone technology will change things. Kenya is ahead of the field when it comes to mobile banking technology and there an increasingly large proportion of the payment system is mobile phone based. In some pilot projects this technology is also used to distribute social transfers (Verclas, 2009).

INTERNATIONAL DEVELOPMENT COOPERATION

So what role does development cooperation play in these social protection systems?

Firstly, it can be stated that social transfers and social insurance are not a major aid issue in terms of volume. The Development Assistance Committee of the Organisation for Economic Co-operation and Development, OECD/DAC, has a statistical reporting system from which we can obtain an indication of the proportion, although the statistics do have their shortcomings. Only 1.6 percent (2008) of the total development cooperation has been classified under the reporting code, designated social/welfare services, where funding for social insurance and social transfers should end up. Much of this seems also to refer to support for short-term aid systems motivated on humanitarian grounds and set up in conjunction with natural disasters and conflicts rather than to build up long-term national systems. For Swedish development cooperation, this proportion is even lower, only 0.3 percent, the majority of which concerns operations in Europe (OECD, 2011).

Donors within the OECD/DAC have recently agreed guidelines for how support should best be given to develop social protection (see Annex 1, OECD/DAC, 2009). In brief the guidelines can be summarised as follows:

- Donors should respond positively to the increased interest in this type of initiative in cooperation countries and provide appropriate financial support.
- The aid initiatives should be focused on nationally defined strategies and programmes and build further on the countries’ own investments.
- The financial support should be designed such that it is both long-term and predictable, taking into account the need for political and economic sustainability.

There is thus an increased realisation that the role of donors should not be to set up their own small pilot projects but instead to contribute towards implementing nationally owned programmes.

These recommendations from OECD/DAC, however, quickly give rise to two follow-up questions: 1) The aid is time-limited while the costs of such systems are permanent. How is the equation to be solved? 2) If there is no political interest in the recipient country, what is the approach to be then?

Concerning the first question, it is necessary to start with the assumption that the role of international development cooperation is time-limited, even if it is long-term. This applies at least as long as there is nothing similar to global taxes to finance more permanent transfer systems. However, there may still be a role for international development cooperation. To start with, the construction of this type of system demands major, initial investments (planning, pilot phases, ID cards, training, etc.) where the more temporary character of development cooperation does not constitute a problem.
Secondly, we should avoid seeing the problem of possible aid dependency due to recurrent cost financing as an issue unique to social transfers. In very aid-dependent countries this problem is often found to an even greater extent in the education and health sectors, for example.

Thirdly, it is entirely possible to imagine result-oriented aid agreements formulated such that they predictably define a distribution of costs between donors and cooperation countries that varies over time, with the role of aid gradually tailing off. The role of aid here is to enable these systems to be expanded earlier than would otherwise have been possible (Holmqvist, 2010).

Concerning the second question, of countries where the political conditions are not in place, it is worth remembering that international development cooperation has its limitations. It would not be a good idea to attempt to force countries to introduce social protection systems, roughly in the manner that the IMF and the World Bank exerted pressure on countries to carry out economic restructuring programmes. This has proved to be a remedy that rarely produces the long-term reforms desired. International aid setting up its own transfer systems and “bypassing” the institutions of the cooperation countries is not to be recommended either. It can possibly be defended as an element of humanitarian aid after a natural disaster or war, but not otherwise.

On the other hand, there is often scope for dialogue and exchanging experiences or for supporting civil society actors seeking to encourage debate on social protection solutions. We know, not least from European history, that inspiration from what happens on the other side of the border can often be important for a country’s choice of social policy. The same thing now seems to be happening among developing countries in a more and more active South-South collaboration involving countries such as Brazil, South Africa and India.

CONCLUSION
In summary the six critical questions listed in the introduction can be answered as follows:

- **THE IMPACT:** We know that these benefits can have positive and immediate effects on indicators such as poverty, malnutrition, school attendance and ill health. We also know that the benefits can have measurable knock-on effects beyond the designated target group. A lot of data also indicate that these systems should be seen as an investment for the future and not merely as redistributed consumption: human capital is strengthened, better protected people participate more easily in economic development and social cohesion is promoted. The negative side effects are limited and can be controlled.

- **THE COSTS:** Many developing countries have clearly been able to afford to boost their social protection systems. Simulations for low-income countries in Africa give the costs of universal old age pensions and child benefit as 1 percent and 2-3 percent of GDP respectively. For the poorest low-income countries the economy sets clear limitations, but everything indicates that there is scope to do more and to set up systems that are allowed to expand as the economy grows.

- **THE POLITICS:** The list of new social transfer systems is not an expression of the latest fad among aid donors and UN bodies. In the majority of cases, countries that have institutionalised systems with a nationwide scope have built them up on their own initiative and financed them themselves. Although there are cases where aid is the impetus or the source of financing, these are the exception rather than the rule.

- **THE DESIGN:** In developing countries, where the informal economy dominates in rural areas and in the cities, contribution-based insurance solutions have their clear limitations. Regarding social transfers, there are grounds to adopt a pragmatic approach to questions on setting conditions and means-testing versus universality. Social, political and economic prerequisites, which vary from country to country, dictate the scope of what is possible and which arguments carry the greatest weight.
• **THE ADMINISTRATIVE CAPACITY:** Many developing countries have demonstrated that they are capable of tackling the administrative challenges. It is important that the systems are made simple, not least to reduce the risk of abuse and corruption. New technology raises hopes of simpler and cheaper solutions.

• **THE INTERNATIONAL DEVELOPMENT COOPERATION:** Aid, including Swedish aid, today plays a very marginal role in funding social insurance and social transfers. However, a coherent approach appears to have been established among donors and multilateral actors on how an expanded international support should be designed: build on domestic initiatives in the partner countries, make long-term commitments and – above all – do more!
One hundred years ago Sweden was in a situation similar to that of many developing countries today, with widespread poverty, high infant mortality and a low educational level in the population. In this article Joseph Hanlon discusses the role of social protection in the transformation of Sweden from a poor rural society to a successful industrial nation. He argues that the reigning ideology of development aid of the last decades has delayed the development of social protection in developing countries. Based on its own experiences, he argues, Sweden could play an important role by supporting other countries efforts to implement social protection programmes.

Sweden’s own successful development strategy of a century ago provides a good guide to shaping its assistance to poor countries today. Sweden realised that social protection was not simply “welfare”, charity or unproductive spending; rather it was an essential investment in Swedish industrialisation. A universal non-contributory pension, universal primary education, and broadly based health care caused a social transformation that made rapid industrialisation possible. Now, governments in the global south are looking to European history, and challenging donors to rethink aid policies.

Aid and development policies have changed radically over the past three decades. The model, in Sweden and elsewhere, of the 1970s and 1980s was to promote economic development through direct investment in the productive sector. By the 1990s there was a sharp shift to the “Washington Consensus” or “neo-liberal model”, which involved free markets and the belief that economic development and an end to poverty would come from the private sector, acting on its own. Developing countries were forced to cut expenditure sharply so as not to “crowd out” the private sector, and there were even major cuts in health and education spending. The argument was that poor countries could only afford social spending after their economies grew.

The international community has largely ignored MDG 1, which calls for halving the proportion of people whose income is less than $1 a day and achieving full and productive employment and decent work for all. No country will meet all of those targets. Poverty is not falling in Africa, and jobs are not being created. Between 1980 and 2005, the number of people in poverty in Africa rose from 214 million to 391 million; even the percentage living in poverty fell only slightly, from 54 to 51 percent9 (Chen & Ravallion, 2008). The reason is that the Washington Consensus

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9 World Bank estimate of people living below $1.25 per day.
model largely promoted foreign investment, and investments by the big international corporations have been capital intensive and did not create many jobs. One might expect domestic small and medium size enterprises, in the domestic private sector, to create jobs in the developing countries, but this did not happen – in part because the neo-liberal model does not allow support of domestic capital.

Increasing aid dependency
Donor funding in support of the MDGs has led to a rapid expansion of health and education in the past decade, but one unintended consequence of the Washington Consensus policies has been little expansion, so there has been little increase in the tax base to pay for these facilities. Thus aid is increasing dependence, because donors will have to pay for the maintenance and the salaries of the new teachers and nurses.

Increasingly, governments in the Global South are saying that the naked free market is not the best or only way to develop, and they point to the very different histories of European countries. They all supported the development of cooperatives and the domestic private sector through incentives, subsidies and protection. But the really fundamental challenge to the World Bank and donor wisdom of the 1990s was the realisation that there is not a sharp division between the social and the economic; spending on pensions and child benefit is not unaffordable social spending that “crowds out” private investment, but rather essential investment spending to boost the development of small businesses and the domestic private sector. So Global South governments are calling on Sweden and other European donors to look back at their own development histories, where social protection spending came before economic growth, not after.

The Swedish alternative from the Global South
In the late 1990s the Global South began to question market fundamentalism. The 1997 Asian financial crisis hit the Global South harder than the industrial North, which caused leading southern governments to make changes which cushioned them against the 2008 northern financial crisis. Those countries which were not aid dependent gave governments a bigger role in the economy and there was more control over the market.

Increasingly, the Global South has concluded that Sweden had been right the first time, and that social protection and cash transfers are key investments, which come before “development” rather than after. In the late 1990s three countries led the way. Mexico developed a family grant, which now averages $38 per month and goes to 22 percent of the population. Brazil expanded its non-contributory pension programme to cover farmers and people in the informal sector and also created a family grant; 39 percent of the population now benefits from cash transfers. And South Africa established a non-contributory pension that goes to everyone over 65 years old not receiving another pension – 85 percent of older people – and a child benefit that goes to the poorest 55 percent of children under 15 years old. The success of these programmes meant their rapid adoption by other governments. More than 45 countries in the Global South have introduced broadly based cash transfer programmes – social pensions, child benefits, family grants, and guaranteed work – which now reach more than 110 million families.

Sweden’s experience as compared to Chile’s
Southern scholars began to look more closely at the history of the industrial development of the North. And they realised that as the English writer John Selden had noted 350 years earlier, “Do as I say, not as I do” is the common refrain of the hypocrite.10

The South Korean born Cambridge economist Ha-Joon Chang points out that “Contrary to the conventional wisdom, the historical fact is that the rich countries did not develop on the basis of the policies and the institutions that they now recommend to, and often force upon, the developing countries. Unfortunately, this fact is little known these days because the ‘official historians’ of capitalism have been very successful in rewriting its history.” Chang asks: “How did the rich countries really become rich?” And he replies: “The short answer to this question is that the developed countries did not get where they are now through the policies and the institutions that they recommend to developing countries today.” He cites the 19th century German economist Friedrich List, who noted that “it is a very common clever device that

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10 Table Talk, in which this appears, was not published until 1689, after his death, and was edited by Richard Milward.
when anyone has attained the summit of greatness, he kicks away the ladder by which he has climbed up, in order to deprive others of the means of climbing up after him.” Chang named his 2003 book Kicking Away the Ladder, and the book won the 2003 Gunnar Myrdal Prize of the European Association for Evolutionary Political Economy (Ha-Joon Chang 2002; 2003).

Similar conditions at the outset is no guarantee
The Chilean-born professor J. Samuel Valenzuela, at the University of Notre Dame, compares the history of his own country to that of Sweden (Valenzuela, 2007). He notes that the two countries “were remarkably similar at the beginning of the 20th century but then became more and more different as Chile lagged behind in its development”. With small populations of about three million in Chile and four million in Sweden, the economies of both countries concentrated on the exploitation of natural resources; both were nations of miners, lumberjacks, farmers, and fishermen. They had similar per capita GDPs, with Sweden only 16 percent higher. At the start of the 20th century, both had about one-third of the population living in poverty and high levels of infant mortality.

But in the early 20th century they followed very different courses. Valenzuela points to a key difference. Both started the century with a birth rate equivalent to women having four or five children. In Sweden this dropped to only two children by the 1930s, while this only occurred in Chile in the 1960s. This, in turn, had a dramatic impact on the economic structures of the countries. Total GDP growth was similar, but Chile had a much lower growth of GDP per capita.

Poverty passed on from one generation to next
Higher fertility levels are disproportionately concentrated among poor families, so a country with high population growth continues to have a large proportion of its households in poverty and to pass on poverty from one generation to the next. These families are too poor to invest in the education of their children, which means a large labour force with low qualifications, he argues. Investors put their money mainly into areas of production that require minimal qualifications from workers, leading to a low wage economy. Informality levels are high with many people seeking to scratch a living as “penny capitalists”, as Valenzuela labels them. “The end result will be national economies with high levels of inequality, large numbers of people living in poverty, and deficient levels of productivity,” as happened in Chile – and is continuing to happen across the Global South today.

Sweden, with smaller families, could educate its children, and primary school for all children was mandatory since 1842. Wages rose due to the smaller numbers of labour force entrants and strong labour unions, but the higher qualifications of workers allowed investors to create new and more sophisticated products and production techniques, enhancing productivity, and paying higher wages. And with fewer new entrants into the labour force, fewer people would also have to seek a living in the informal economy, while those that did engage in self-employment, given their higher qualifications, often create successful businesses. Taken together, this means nations “with lower inequalities, higher wages, more similar consumption patterns across households, [and] higher levels of innovation and productivity,” as happened in Sweden.

Social pensions and health care makes a difference
For Valenzuela, the most important difference was having universal access to old age pensions. Sweden in 1913 started a system that gave all men and women above the age of 67 a pension that was supported with general state funds; payments began immediately. Chile followed Otto von Bismarck’s social insurance model in Germany, which was largely dependent on formally employed workers paying into a fund and which only paid a pension when a worker retired; Valenzuela notes that virtually no one received an old age pension in Chile before the 1950s.11

The other key factor was Sweden’s introduction, from 1917, of health care institutions with universal access and with a stress on children, which brought a sharp decline in infant mortality. By contrast, Chile adopted a complex health insurance system which only covered formal sector workers, and infant mortality remained high into the 1960s.

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11 Based in part on Valenzuela’s recommendations, Chile introduced a universal, non-contributory pension in 2008. It had been a campaign pledge of Michelle Bachelet, who was elected President in 2005.
The key point about pensions and health care is that people depend on their children to take care of them in their old age and in the event of sickness; children are insurance. If infant mortality is high, then it is important to have many children. In a poor family that does not waste time sending children to school, children quickly become an economic asset, working in the fields or selling on the street.

Thus social pensions mean that people are sure they can depend on the state in their old age, so they need fewer children. This is reinforced by lower infant mortality and it becomes sensible to invest more in the education of those children.

Social pensions also create workforce mobility, another key to the Swedish development model. Peasants depend on the land, and even those who move to the city to work often keep some land as a form of insurance – they can always go back to the farm when they are too old to work. Again, social pensions allow them to break that link and become urban workers.

Simon Szreter, Cambridge University Reader in History and Public Policy, points out that in England, the 17th century poor laws encouraged labour mobility; farmers and landowners could more easily hire and lay off short term labour (2007). Social security for workers combined with provision for the aged meant that peasants were less dependent on the land and family for social security and could move to towns in search of work. This, in turn, spurred economic growth. Szreter argues that England “moved from a position as a small, average economy on the European periphery to that of world leader, primarily because of the increased efficiency of its agrarian economy”. From the mid-17th century, England became the first country not to experience national famine-related deaths.

Social protection a precondition for economic growth

Szreter argues that English history has direct implications for developing countries today. Without a social security system, it is highly rational to try to accumulate wealth and to cultivate patrons who will protect you. He says that “the self-righteous (and hypocritical) western rhetoric denouncing ‘corruption’ in government and throughout society in the world’s poorest countries is in part a deep mis-reading and mis-understanding”.

It is often claimed that less developed countries cannot afford social security, but Szreter argues that the lesson of history is that poorer countries cannot afford not to develop social security systems which are an essential precursor to economic growth and which encourage market growth and labour and capital mobility.

Valenzuela argues that it is a mistake to see social pensions as a burden with detrimental effects for development. Instead, social pensions are part of a package that is necessary to “trigger the changes that generate the social fundamentals that are most conducive to developmental success with 20th Century technologies and markets”.

In southern Africa seven countries now have non-contributory pensions covering more than 80 percent of the population, and these pensions are having a similar impact. A study by Göran Holmqvist of the Nordic Africa Institute concluded that “having a high-cover-age pension system in sub-Saharan Africa is associated with a reduction of the fertility rate in the range of 0.5 and 1.5 children per woman” (Holmqvist, 2010).

BLAME THE POOR FOR THEIR POVERTY?

Non-contributory, social pensions were the starting point for cash transfers in Europe in the early 20th century and in Brazil and southern Africa in the 1990s. In many ways they are the most politically popular form of social protection, because we all hope to become old and be able to receive such a social pension, and many of us have parents or grandparents who need assistance and the social pension reduces the burden on us. Thus, social pensions are politically popular because they are seen as being for everyone – they are not charity or just for the destitute poor. They are also popular because they overcome two of the common middle class objections – dependency and waste. Cash transfers are sometimes dismissed by the better off as creating a permanent dependence culture, and thus there is a demand for an exit strategy – which exists with a pension, because it ends when the old person dies. The rich often claim that the poor will waste money, but this pejorative
attitude generally is not applied to old people, who have worked all their lives and can waste money if they want to.

In practice, money is not wasted and is shared within the family, so the type of grant makes little difference. For example, pensions, family grants and child grants all benefit children. However, the move to more general cash transfers is often difficult. The better off tend to assume they deserve their status, and thus, if only by implication, blame the poor for their poverty. If the poor were only poor because they did not have money, then that would question the position of the better off (such as the writers of this book). But attitudes do differ, especially on the two sides of the Atlantic Ocean.

**Differing attitudes in different countries**

International polling companies sometimes agree to ask the same question in many countries, and between 1995 and 2000 they asked “Why, in your opinion, are there people in this country who live in need.” In Sweden, only 22 percent said that it was because the poor were lazy or lacked will power; 78 percent said people were poor in Sweden because of an unfair society. Other European countries and southern countries such as Brazil and South Africa gave answers similar to Sweden. But in the United States, by contrast, 61 percent blamed the poor and only 39 percent blamed an unfair society.

This is reflected in the way cash transfers are much more common in Europe, while the US depends on charity and methods that stigmatise the poor, such as food stamps. The OECD estimated that in 2005, Sweden gave 14 percent of GDP as cash transfers and this reduced poverty by 80 percent, while the United States gave only 8 percent which reduced poverty by only 35 percent. (Sweden, by the way, is not the most generous – France, Austria, and Germany all provide 16 to 18 percent of GDP as cash transfers.)

Neo-liberalism and the Chicago school of free market economics which grew up in the 1970s were very much rooted in the US attitude of blaming the poor for their poverty. It was the era of “greed is good”; not only did the rich deserve their wealth, but there was also the beguiling message that it was good to get rich because some of the crumbs from the table would “trickle down” to help the poor. And the international financial institutions (IFIs), the World Bank and the International Monetary Fund, are based in Washington DC and are very influenced by US attitudes, so they adopted the neo-liberal faith and began pushing it very hard.

**Trickle down**

With the end of the Cold War, many donors accepted the IFI line and made aid conditional on having IMF and World Bank programmes. The IFIs imposed harsh conditionalities on recipients, forcing them to cut health and education and social programmes, end agricultural subsidies, and privatise. Governments had to withdraw from any involvement in the economy and instead encourage foreign investment. Although the opinion survey showed that Sweden blamed an unfair society rather than the poor for their poverty, it nonetheless threw its support behind a policy that effectively blamed the poor and withdrew support from them.

Peter Townsend, one of the foremost experts on child poverty, wrote in 2009 just before his death (2009): “The World Bank monolith has helped to implant neo-liberal ideology among governments, corporations and consumers, weaken the state, and reinforce economic inequality and destitution. (...) The bank advocates disastrous policies, like its meagre and superficial anti-poverty policies, lends with antisocial discriminatory conditions, and has little experience or resources to invest grants directly in jobs, services and people.” And he called on the World Bank “to adopt a different social development strategy. This would include job creation, new tax systems, staged international planning, accountable leadership, social security and other public services”.

Even in the early 1990s, there was growing evidence that the model was not working and it was increasingly presented as something to be taken on faith – that it would work eventually. By the end of the 1990s, it was already clear this was a false faith. Donors continued to believe the high priests and Pharisees in Washington, and most poor countries had no choice. However, a group of larger countries in the Global South which were not dependent on aid, led by Mexico, Brazil and South Africa, were able to challenge the new religion.

A core assumption of southern governments introducing cash transfer programmes was that the poor could be trusted and would use the money wisely.
This was such a challenge to the new faith of greed and neo-liberalism that the international community demanded detailed studies. Each time a study showed that cash transfers worked, the international community demanded another study. The result was that when we started to write a book on cash transfers, Just Give Money to the Poor (Hanlon et al., 2010), there was a mountain of studies done by eminent research institutes and universities. And they tell the same story.

**Sharing within the family**

In general, studies of cash transfers paint a similar picture. Whatever the official nature of the transfer – pension, child grant or family grant – the money is shared within the family and children are the main beneficiaries. Typically half the grant is spent on food – not just more food, but more varied and nutritious food. The next biggest amount is spent directly on children, notably shoes and clothing, and costs relating to school. Finally, an amount is invested in trying to increase income – fertilizer and better seed, more things to try to sell, or travelling to look for work.

Lack of money and thus lack of food is the main cause of malnutrition. Therefore, declines in infant mortality and malnutrition are important markers of the success of cash transfers. Studies in Brazil, Mexico, Nicaragua and South Africa all show dramatic reductions in chronic child malnutrition. This is measured by stunting, and children in benefit households are taller. Key mental and physical development takes place in the first two years of life, and losses that occur then are irreversible. Children in cash transfer households have improved mental and physical development. Educational outcomes are better, both because children start school with better mental development, and because they do not go to school hungry and fall asleep in class. Children in cash transfer houses lose fewer days from school – both due to less sickness, and because their parents do not need to keep them home to work. This is as true in households with pensions as in those with a formal child benefit.

Thus cash transfers make a major contribution toward reducing intergenerational poverty in the Global South, as they did in Sweden. Children in poor households become healthier and better educated adults, who are less likely to be poor.

**Promoting growth**

By definition, giving people money reduces their immediate poverty, and as we have seen, also reduces intergenerational poverty. However, the main reason for southern enthusiasm for cash transfers is that they stimulate growth and are thus explicitly developmental. It is here that southern governments are challenging the predominant paradigm behind aid from the rich north. The challenge is four-fold. First, that the poor are poor because of lack of money, and not because of stupidity or misconduct. Second, that it is better to give money directly to the poor, rather than give it to the rich and hope some will trickle down to the poor. Third, that the main problem in poor countries is demand, not supply. And fourth, that governments have a central role in stimulating economies and economic growth.

Cash transfers stimulate growth in two ways. First, they promote the local economy. Second, they reduce risk and allow poor people to invest.

**Demand driven growth**

Domestic demand makes the largest single contribution to economic growth in developing countries, but generalised and persistent poverty means that demand is small and this inhibits growth, according to the UN Conference on Trade and Development (UNCTAD) Least Developed Countries Report 2006. Neoliberal development models stress the supply side, making it easier for private businesses to operate. But UNCTAD finds that this is not the priority – businesses are not successful in poor countries not because of red tape and regulation, but because people are too poor to buy their products. That triggers a chain in which new firms largely serve a wealthier elite, foreign investors, or the aid industry, while poor and rural areas stagnate. Cash transfers shift the balance, because they give money to poorer people, who tend to spend locally. For example, they buy food from their neighbours and local shops, clothing often comes from local tailors, and building materials for houses are often locally made. Thus the money circulates locally, often two or three times, in what is known as a multiplier effect. Also, poorer people tend to buy locally produced goods, while richer people buy more imports, so cash transfers do more to boost local production.

However, perhaps the biggest surprise – and the one that has been hardest for sceptics from the wealthier
industrialised countries to accept – is that cash transfers promote investment and employment. Far from making people lazy, they actually encourage people to work harder. The key factor appears to be risk. “Living under the constant threat of a sudden drop in income – and hence consumption – probably makes poor families, on average, more risk averse than non-poor families,” writes Santiago Levy (2006), the main architect of the Mexican family grant programme (Oportunidades). Poor families cling to “traditional farming methods that generate lower but safe returns, limiting the benefit they may be able to obtain from rural development or urban training programmes. For those reasons, reducing poor households’ uncertainty regarding food consumption could allow them to engage in riskier productive projects or investments with longer planning horizons”.

For the poorest people, every penny counts. For a small farmer, spending money on fertiliser today in the hope of a larger crop six months is a high risk – should their children go hungry today in the hope of more food in six months? What happens if the rains fail, or there are insect pests, or the price falls and the value of the crop is less than the cost of fertiliser? This makes poor people necessarily very conservative, doing what they know is most likely to be successful, and not taking risks on new crops or searching for better jobs.

Mitigating risks
A key aspect of the neo-liberal development model has been to shift more risks to the poorest people – part of deregulation and reducing restrictions on business has been to make it easier and cheaper for firms to dismiss workers, and the demand to reduce the role of government has meant a cut in social protection such as unemployment insurance and a reduction in support for peasant farmers, for example by ending marketing boards which guaranteed to buy crops. (This is, of course, the reverse of the model followed by Sweden, where generous government social insurance encouraged labour market flexibility (Sjögren Lindquist & Wadensjö, 2007), and government promotion of agricultural cooperatives provided guaranteed markets.) Microcredit, much promoted by donors in recent years, fits this model. If a peasant borrows money to buy fertiliser and the crop fails, not only is no money earned from the farm, but the loan must still be repaid.

What southern governments see is that cash transfers provide a form of insurance and thus reduce risk. The key to cash transfers such as pensions, child benefits and family grants is that they are regular and predictable – they can be planned on and included in the family budget. All the studies show that part of the cash transfer is invested – buying fertiliser or goods to sell, experimenting with new crops or markets and searching for work – because the small extra money means that the investment is not at the cost of taking food from the mouths of the children and because, if the crop fails, the family is sure of at least some income from the grant.

Studies in Mexico show that grants do encourage investment and that those investments are profitable. Indeed, the World Bank was shocked to find that the investments made by people using the family grant generated an 18 percent rate of return, far above the average for Mexico (Gertler et al, 2006). Poor people do not need advice from IFIs, non-government organisations or donors, they already know how to invest profitably – what they need is cash, not advice. In Mexico, India and Ethiopia, studies found that recipients of cash transfers are more likely to buy more fertiliser and use higher-yielding seeds. In Bolivia, meat production has increased because pension money is being used to buy animals; Bolivian farmers had never been able to make full use of the land they gained in an earlier land reform and the pension is providing money to invest in the land. In South African urban areas, informal sellers use cash transfers to buy more stock. Pensioner households are often labour constrained and pension money is sometimes used to hire farm labour.

In Brazil and South Africa, research shows that households with grants have more people in the labour force. In part, this is because the cash transfer provides the money for bus fares and food for household members going out to look for work. In South Africa, it has allowed mothers to take jobs because the money from a child grant allows the grandmother to look after the child.

So, far from making people lazy, grants encourage people to work harder. “Opponents said that if you give people money, and especially poor people, they will sit down and become lazy. If you receive manna from heaven, why should people work?” notes Namibian Bishop Dr. Zephania Kameeta (Haarmann et al, 2009). But his experience in Namibia refutes
Moreover, if you look in depth at Exodus 16, the people of Israel in the long journey out of slavery, they received manna from heaven. But it did not make them lazy; instead it enabled them to be on the move to travel through the desert. (...) In this context nobody would say, the manna made the Israelites dependent. To the contrary, it enabled them to move.”

CONCLUSION: REMEMBER HISTORY
Two decades ago, Sweden was a world leader in aid policy, drawing on its own successful development history. Since then, Sweden has been swayed by a new paradigm and a new faith, which called on it to ignore its history and its own remarkable development. Governments and scholars from the Global South say to Sweden: remember your history and draw on it. Remember how pensions, health care and support for rural cooperatives a century ago promoted your industrial development. Remember the key lesson from your own history: cash transfers such as social pensions are not charity or wasted money, they are essential investments in development.

Sweden could take the global lead in three ways. First, there are now debates within the IFIs themselves, and quite sharp disagreements, with some staff in both the IMF and World Bank seeing that cash transfers do, in fact, support private sector development. The Nordic-Baltic group has executive directors in both the World Bank and IMF, and Sweden could use its influence with other Nordic states and within the group to build support for those who see social protection as promoting development. It could also give more support to the ILO, the UN’s International Labour Organization, which has been campaigning in support of cash transfers for a number of years.

Second, Sweden is a major and influential donor. It is part of budget support donor groups in several countries, and its long history means that it is respected by other donors and by government ministers. Simply by talking about its own history, it would show aid dependent countries (and remind itself) that there is more than one successful development model.

Third, Sweden could build on its own history by supporting global rights. Before he died, Peter Townsend was promoting a global child benefit, which would go to every child in the world and would be paid from a global tax. Such a tax could be the Tobin tax on currency exchanges, or a carbon tax, or the tax on air travel. A campaign for a global child benefit, or a global pension for everyone over 70 years old, needs a powerful champion with both moral and political weight. Sweden could be such a champion. Sweden could use its own aid, and its position on the global stage, to encourage cash transfers – and it can use its own experience to point to their success in promoting economic development.
Namibia – the Basic Income Grant Pilot Project

In this article authors Claudia and Dirk Haarmann examine the role of a universal basic income grant in poverty alleviation and development. The basis of the article is the world-wide first Basic Income Grant (BIG) pilot project. The project was implemented in the village of Otjivero, Namibia, where, during 2008 and 2009, every person in the settlement received an unconditional cash grant of N$ 100 (about €10) per month. The impact analysis of the pilot shows the potential of such a grant in addressing poverty, e.g. malnutrition and food insecurity, but also in fostering local economic development.

Namibia gained its independence in 1990. 20 years on, the country, which is rich in natural resources like gold, diamonds, uranium and fish, and with only a small population of 2 million people, is struggling to improve the living conditions of the majority of the people. According to the latest Government statistics, the unemployment figures had risen to over 51 percent in 2009 (Ministry of Labour and Social Welfare 2009) an increase of 13 percent within the last 2 years. Malnutrition of children under the age of five stands at 30 percent. In international comparison this is regarded as very high (Cullinan 2010).

Despite increasing expenditure in the Government health sector, maternal deaths have doubled in the last fourteen years and are currently at 449 per 100,000 births (Cullinan 2010). Taking the crude international poverty line of US$ 1 a day, over 60 percent of the population fall below it (Haarmann and Haarmann 2005: 34). This situation is worsened by a high HIV prevalence rate of about 20 percent, and despite the availability of a Government-financed treatment programme, HIV has been the major cause of deaths in Namibia since 1995.

These indicators give an idea of the poverty and hardship experienced by the majority of people in Namibia. At the same time the Gini coefficient, measuring income inequality, is one of the highest in the world. According to the UNDP Development Report (UNDP 2010: 154) with 0.743 it is the worst in the world. The Gini coefficient indicates that the country does have a considerable amount of wealth, however, its distribution is highly skewed, benefiting a few privileged ones, while the majority are struggling for daily survival.

The democratically elected government, formed by the former liberation movement, has committed itself to improve the living conditions of its people. How-
ever, the measures and policies of the last 20 years have not been able to make a dent in the poverty, the unemployment or inequality situation. Given the experience from the BIG pilot project, this article argues that the national implementation of such a grant would be able to achieve exactly that: It is a relatively quick measure to reach the majority of the people and to improve their situation. The BIG is also a redistributive policy intervention, building on the country’s own resources, but distributing them a bit more equally for the benefit of all.

THE CONCEPT OF A BIG AND THE BACKGROUND OF THE PILOT PROJECT
In the last twenty years, the idea of cash transfers has gained momentum. Cash transfers can be defined as a direct payment of money to people to provide some level of social protection. There are basically two factors determining the nature of cash transfers:

Methods of Targeting:
- **means test**: A means-test is used to identify those ‘in need’ of support through, e.g. income testing or community identification.
- **universal**: Everyone in a specific group, be it defined geographically, by gender or age, etc. receives the cash transfer.

Application of Conditions
- **conditional**: The transfer is dependent on certain actions or behaviour from the side of the recipients, e.g. enrolling the children at school, taking them to a clinic etc.
- **unconditional**: The cash transfer is paid without any ‘strings’ attached to it, like a universal old age pension.

There is an increasing debate in development and academic circles about the advantages and disadvantages of both these factors. The proponents of the application of means-tests cite financial affordability and reaching only those in ‘real’ need. They are more concerned about the potential error of inclusion of those who might not really be in need.

Those in favour of universalism point to the argument that those in need might be excluded (error of exclusion). Furthermore, it is argued in favour of universalism that it is administratively simple, as it does not require a large bureaucratic system of needs assessment and hence eliminates the danger of corruption.

The arguments concerning the application of conditions run along similar lines. The ideology of conditions essentially believes that poor people have made the wrong choices in their lives, which have lead them into poverty, and that hence corrective measures would teach them and give incentives to improve their situation and pull them out of poverty.

By contrast, those advocating unconditional grants see the cause of poverty more as a structural problem and not primarily caused by the wrong choices of individuals.

The strategy of unconditional grants is based on the assumption that people themselves know what is best for them in their context and situation, and that generally they will act in the best interest for their and their children’s future. In a more and more cash-based society, unconditional grants give them opportunities and a certain level of economic security to take part in economic life.

THE BIG PROPOSAL
The Basic Income Grant is an unconditional universal cash transfer and was proposed in Namibia in 2002 by the Namibian Government appointed Tax Consortium (NAMTAX). NAMTAX was tasked to review the entire Namibian tax system, make the necessary international and regional comparisons, address redistribution and determine the structural changes needed (NAMTAX 2002b: 8–9). NAMTAX, taking account of the high level of income inequality, coupled with the extreme poverty, found that by far the best method of addressing both would be a universal income grant (NAMTAX 2002a), which then became known as the Basic Income Grant (BIG). The current proposal envisages a modest BIG of N$ 100 (about 10 euro) per month to everybody under the age of 60, from whereon they become eligible for the existing universal old age pension of N$ 500 per month.

The NAMTAX Commission made the proposal based on economic calculations that the BIG is affordable for the Namibian economy. Further research by the BIG Coalition and an Economic Institute in South Africa analysed that a national BIG would cost
between 2.2 percent and 3 percent of GDP or N$1.2 billion to N$1.6 billion per year. This translates into 5.7 percent of the national budget and while the costs are substantial, Namibia has the capacity to mobilise the necessary resources without undermining financial stability.

Except for a few newspaper articles supporting the proposal as good news for the poor, for a long time there was silence on this proposal. The government was keen to take up recommendations of the NAMTAX commission on the income revenue side, like the proposed Capital Gains Tax, but was silent on the BIG.

The BIG Coalition

In 2004, concerned about the slow pace of poverty reduction and the silence on the BIG, a cross-section of Namibian society set up a Coalition to promote a BIG for all Namibians. The BIG Coalition consists of six umbrella bodies in Namibia, namely the Council of Churches (CCN), the National Union of Namibian Workers (NUNW), the Namibian NGO Forum (NANGOF), the Namibian Network of AIDS Service Organisations (NANASO), the National Youth Council (NYC) and the Church Alliance for Orphans (CAFO).

For the first two years, the Coalition embarked on an extensive lobby campaign based on research and economic modelling. However, even detailed economic models and tax effort analyses could not convince the Government to introduce a basic income grant, and the debate did not move forward. While some in the Government supported a BIG right from the beginning, critics claimed that a BIG would lead to dependency and laziness and pointed to the fact that a BIG had never been implemented anywhere in the world.

When, at the end of 2006, a delegation of the BIG Coalition attended an international symposium on Basic Income in Cape Town, the delegation realised that in other countries researchers had discussed a BIG already for decades without it ever being implemented. The understanding grew that something drastic and different needed to be done, since Namibia did not have the time to debate for years, without any concrete impact on people’s lives.

It was then that the BIG Coalition decided to move from words to action, for deeds speak louder than words. The idea of the world-wide first pilot project of a universal cash grant was born. It is, however, noteworthy that this understanding had grown among the Namibian delegation and some academics from South Africa, who had a similar experience. In fact, it did not find support from the majority of the gathering. Despite the scepticism which the proposal as such received, it stimulated debate at the conference and Namibia’s BIG Coalition’s chairperson Bishop Kameeta, who had motivated the new idea in the plenary, was termed “the butt-kicker” of the conference.

The idea of the pilot project was rooted in the experience of the liberation struggle in Southern Africa, where, for example, English Medium Schools or township clinics often challenged the oppressive regime to revise otherwise ideologically hardened positions. Furthermore, it drew on the experience of pilot projects in other policy areas like the treatment of AIDS patients, where successful pilot projects led to the implementation of national programmes. The BIG Coalition hoped that by operationalising a BIG pilot project, Government leaders and others could see how the BIG could be transformed into a national programme. In 2007, the BIG Coalition decided to implement the pilot project.

Selecting the pilot village

After careful examination of several villages in Namibia, the Otjivero settlement including the Omitara ‘town’ in the Omitara District were chosen. Otjivero-Omitara was selected for its manageable size and accessibility, for its characteristics of the community reflecting the many population groups, and for its extreme poverty situation. Otjivero mirrored many poor communities in Namibia. Otjivero was also known for its bad reputation amongst the local farmers as a hot-bed of criminal activities.

Otjivero-Omitara is located some 100 kilometres east of Windhoek. People (mainly retrenched farmers) started settling in the squatter camp Otjivero about 5 km away from Omitara in 1992. After Independence in 1990, despite the commercial farmers’ objections, people were no longer forcefully removed and could settle on this government-owned land.

16 In the remainder of the article we will refer to Otjivero-Omitara simply as Otjivero, as this is the name by which the Pilot Project has become known.
A feature of the area is the proximity to a large dam that supplies water to Windhoek and the surrounding areas. Unusually, the people in Otjivero have access to free water supply, but the area is impoverished, with no access to land, prone to diseases, such as TB and HIV/AIDS, and struggling to subsist as a viable community.

The development of the settlement was controversial from the beginning. The relatively small settlement has very little space for people to cater for their economic survival, since all around the cattle- and hunting-farms have fenced in their estates, leaving nothing for the majority of the people but the mere place to put up a shack. Over time, the Government built a school and a clinic, but there has been persistent conflict with the surrounding commercial farmers because of illegal hunting, trespassing, and the collection of firewood. The following quote of Willemina Gawises, a single mother of three children, exemplifies the desperation and abject poverty people in Otjivero faced on a daily basis before the introduction of the BIG:

There is a problem of unemployment and we don’t have money to travel to Gobabis and Windhoek to look for work. I have three children, aged 10, 13 and a 7-months-old baby. Now I don’t know where their father is and I have no job or money to send them back to school. I and my three children depend on my unemployed parents for food and accommodation. Sometimes I wish I was dead because I cannot stand this type of life any more. I am supposed to provide and protect my children and parents but I am failing to do that. Life is very difficult here, we live in poverty with no hope for the future.

It could safely be assumed that if a BIG had a positive impact in this hostile and hazardous environment, the success could certainly be replicated in other parts of the country at least equally well.

The pilot project was implemented as follows: Every resident under the age of 60 living in Otjivero received N$ 100 each month from January 2008 until December 2009. 930 residents got this grant without any conditions. The money for children and youths up to the age of 21 was paid out to a person designated as their ‘primary care-giver’ which by default was the mother.

The BIG Coalition fund-raised for the pilot project within Namibia and internationally and received donations from individuals, congregations, churches, national and international organisations. This immense support enabled the BIG Coalition to run the two year pilot project and to continue support the community after 2009 with a ‘bridging allowance’.17

The Impact of the BIG in Otjivero

The BIG Coalition used a variety of methodologies to collect their own qualitative and quantitative data and to receive additional data from external stakeholders to evaluate the impact of the pilot, thereby substantiating and cross-checking the results. The evaluation was carefully done to provide a solid basis to enable the Government an informed policy decision.18

A four-fold research methodology was adopted, drawing on a variety of data in order to evaluate the effects of the BIG pilot project:

- The research included a baseline survey in November 2007 and a time series in July 2008 and November 2008.19

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17 For more detail on the ‘bridging allowance’, see ‘way forward’.

18 The actual research on the BIG Pilot was done jointly by the Desk for Social Development (DfSD of the ELCRN) and the Labour Resource and Research Institute (LaRRI). The entire research process employed a team of 15 local field workers and four senior researchers. An international advisory team accompanied the research. This international expert team, who themselves came to Namibia to evaluate the research methodology and to check all data and calculations, guarantees the academic standard of the findings. The advisory team was comprised of: Professor Nicoli Nattrass, Director of the AIDS and Society Research Unit and Professor in the School of Economics, University of Cape Town (UCT), South Africa. Professor Mike Samson, Director of the Economic Policy Research Unit (EPRU), South Africa; Professor at Williams College, USA. Professor Guy Standing, Professor of Economic Security, University of Bath, UK; Professor of Labour Economics, Monash University, Australia.

19 The pilot project ran for two years. The time-series could gather reliable data for the first year. Since migration changed the composition of the sample considerably (27 percent in-migration and 16 percent out-migration after the first year), it was decided – together with the international advisory group – to conclude the panel after the first year.
• Information was gathered from key informants in the area on a continuous basis.

• A series of detailed case studies of individuals living in Otjivero was carried out.

• Data obtained from the clinic (nutritional status of children, clinic register and income statements) and the official Police statistics on crime in the area.

Otjivero before the BIG
Like the quotation of Willemina Gawises above, the statements of other residents of Otjivero paint a clear, though very sad and indeed depressing picture of the suffering of the majority of the people in Otjivero:

Unemployment, hunger and poverty are the biggest problems. Some days we don’t have anything (to eat) and we just have to go and sleep and get up again without eating. We are really hungry. (Emilia Garises)

The police station commander of the local police station saw the situation of Otjivero as follows:

There are no proper houses in the camp. People live in shacks made up of drums or pieces of tents. There are no jobs and people start some small business to make a living. Running a shebeen is normally the only way to make some money. Poverty and unemployment lead to all the other conditions like crimes, alcohol abuse, mushrooming of shebeens.

Given this depressing situation, a local school teacher and the nurse of the Otjivero clinic had high expectations of the BIG:

Mr. Gawachab, Schoolteacher at the Otjivero Primary School:

The BIG will make it possible for families to pay school fees and to buy school uniforms for the children. Children will also have food and perhaps we can even build a hostel.

Ms. Mbangu, the nurse at the clinic explained how poverty hinders access to health services and the fight against HIV and AIDS. She was hopeful that the BIG would facilitate access to the clinic and to anti-retroviral drugs:

Most don’t come to the clinic, because they do not have NS 4. They are sick, but they stay at home. Not all people who are HIV positive are on ARVs because they can’t get transport to Gobabis. It costs them about NS 100 to take taxis from Otjivero to Gobabis and back. Then they are hungry but have nothing to eat. The BIG will be good for the people here and will help them to pay NS 4 and also to pay for transport to get the ARVs in Gobabis.

These expectations for positive change from the BIG were echoed by Willemina Gwises:

With the BIG grant, there will be hope for us, at least I will be able to buy my children food and send them back to school. The money will mostly be spent on food and school fees and uniforms. Maybe I will be able to travel to Windhoek to look for domestic work, because now I cannot look for work. There is no money to travel there. Life will change in Otjivero with BIG. Many people will have food.

OTJIVERO WITH THE BIG
After only a few months with the BIG, various changes could be observed in Otjivero. The BIG had not only had an impact on expected areas like food security, hunger, payment of school fees and improvement of housing, but also on, at first glance, less expected areas like economic activities, increase in income beyond the BIG, and local economic development in the village.

Impact on poverty
Starting with the more expected areas, the poverty situation changed dramatically.

Looking at the poverty situation, the research used the Namibian Government’s definition of poverty which sets the poverty line at three different monetary levels20, ranging from the most to the least severe degrees of poverty: food poverty line (below about 15 euro per capita per month), severely poor (below about

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20 The poverty lines are given by the National Planning Commission (NPC) in 2003/4 monetary terms and have been updated using the CPI for inflation. The 2003/4 values as given by NPC are 1. N$ 147, 2. N$ 185, 3. N$ 262.
22 euro) and poor (below about 31 euro). According to these monetary levels, 86 percent of the residents of Otjivero were ‘severely poor’, while 76 percent lived below the food poverty line in November 2007. This situation changed dramatically during the first 12 months with the introduction of the BIG in Otjivero.

Expectedly, through the Basic Income Grant and its economic effects severe poverty was reduced to 68 percent and food poverty to 37 percent after one year. While food poverty continuously declined over the study period, gains in the group of ‘severely poor’ were slightly reversed by 3 percent from July to November 2008 due to in-migration. One needs to remember that persons who migrated to Otjivero after the due date of the registration in July 2007 did not qualify for a BIG, but only benefited from the BIG indirectly through the BIG income into the household. Likewise, those who moved out of Otjivero also took the BIG with them, thereby reducing the total amount of the BIG spent in Otjivero. In the households which experienced in-migration, the BIG had a tangible impact, but significantly lower than in the households where everybody received a grant.

This graph clearly shows that in households where migration is controlled for, meaning where the grant is paid universally, the poverty rate, both in the lower bound as well as in the food poverty line, have been declining rapidly and continuously over time. With the BIG, food poverty in the households without substantial migration was reduced to 16 percent and the percentage of severely poor dropped to 43 percent. If a Basic Income Grant were to be introduced universally in Namibia, this graph adequately shows the effect, as migration to a “BIG area” would not occur. A reduction of food poverty from over 70 to 16 percent speaks for itself.

Similarly, it was hoped that the increase in food security and reduction in hunger would have a positive impact on the nutritional status of children.

Impact on malnutrition
Six months after the introduction of the BIG, the malnutrition situation of children under five years of age had improved dramatically. The percentage of malnourished children had dropped from 42 percent to 17 percent. After one year, looking at the same age cohort in households that were present at all three stages of our study, none of the children was malnourished.

It is clear that the major shift in distribution happened in the first six months after the BIG had been introduced. The one year results confirm and reinforce this hugely positive trend. To reiterate, with the BIG, the malnutrition rate decreased from 42 percent in November 2007 to only 10 percent a year later. This is an extraordinary developmental achievement, to see that child nutrition is directly and dramatically improved by giving this small universal cash grant to poor families. This is, without doubt, one of the most important findings and outcomes of the introduction of the BIG.

Impact on health
Besides this dramatic improvement in the nutritional status of children, the clinic also observed an improvement in the general health of the residents. Before the BIG, the residents were often not able to pay the clinic fee, albeit low. The nurse explained that while she had still treated people ‘on credit’, many apparently felt too ashamed to go to the clinic without paying. As a result they tended to go to the clinic only when they became very sick.

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21 The data of the children was collected on a voluntary basis by the trained clinic nurse of the Otjivero clinic.
This situation changed in 2008. The clinic records show a typical income in 2007 of about N$ 250 per month. After the introduction of the BIG in 2008, the clinic reported a fivefold income increase to nearly N$ 1,300 per month. This is because more residents came for treatment because they could pay the N$ 4 and felt comfortable exercising their rights.

The increase in clinic attendance was not caused by an unusual spate of illnesses or a sudden epidemic, but rather by people seeking medical attention for common complaints, which they had suffered without the benefits of health care in the past. Importantly, the nurse said that since the introduction of the BIG, she had observed a reduction in the cases of severe diarrhoea, while the people coming to the clinic in 2008 were mostly treated for more common sicknesses like flu and coughs. In short, it can be observed that since the BIG, Otjivero has benefited from better nutrition and better health care – and hence that the quality of life has improved.

The impact of BIG on the situation of people living with HIV and AIDS is another example of how economic security supports, or in fact provides a basis for, other important health and development efforts. In Otjivero and in many other parts of Namibia, access to ARVs is often hampered by poverty and lack of transport to the next hospital. The local nurse explained in November 2007:

“HIV positive people have dates at which they must collect their ARVs. They must go every month but they don’t have work, they don’t have income; they don’t have people who can help them. The only thing I can do is to ask the ambulance to take them to Gobabis. Not all people who are HIV positive are on ARVs because they can’t get transport to Gobabis. It costs them about N$ 100 to take taxis from Otjivero to Gobabis and back. Then they are hungry but have nothing to eat...”

The nurse expected that the main impact of the BIG on the lives of HIV-positive people would be to give them the means to travel to Gobabis to collect their ARVs. As it turned out, however, this proved unnecessary because the doctor in Gobabis was persuaded by the nurse in March 2008 to come to Otjivero to deliver the ARVs to the growing group of ARV patients there.

The number of people receiving ARVs increased from three in late 2007 to 36 in July 2008 – a twelvefold increase. This, of course, took place in the context of the Namibian Ministry of Health’s proactive national ARV rollout. However, some people in Otjivero have expressed the view that the ARV rollout only came to Otjivero because of the public attention focused on the area as a result of the BIG pilot project. Whatever the relationship between the BIG and the ARV rollout, it is nevertheless fair to say that the BIG greatly assists people living with AIDS. People on ARVs need to be well nourished to benefit fully from their treatment. The BIG provides them with the opportunity to improve their diet.

Impact on education
The impact in the education sector is comparable to that in the health sector. Both the school and the daycare centre of Otjivero experienced improvements due to the implementation of the BIG, which were not achieved before, although the facilities existed.

Otjivero has had a primary school, located in the centre of the settlement, since 1996. It has the potential to improve the prospects of Otjivero’s children, but at the time of the baseline survey in November 2007, financial problems were keeping many children out of school. In addition, the school reported that the lack of adequate nutrition of many children had a negative impact on their performance. Due to the lack of payment of school fees, the school had very limited financial resources and little leverage to improve the quality of education. The combination of these negative factors of inadequate nutrition, lack of finances and the often less than conducive learning environment for children at home, e.g. with no place to study, led to poor school attendance, low pass-rates and high drop-out rates of 30–40 percent.

After the introduction of the BIG, the school experienced various substantial changes for the better. The parents used part of their BIG to pay school fees and the school reported a 90 percent payment rate in 2008, unprecedented for this school and many other Government schools in Namibia, where the average

\[^{22}\text{There was also no increase in incidents of ill-health in our sample between November 2007 and July 2008.}\]
rate of payment is only about 60 percent. The money enabled the school to buy necessary supplies; thereby they were able to improve the quality of education as well.

Furthermore, the non-attendance of children due to financial reasons dropped by 42 percent and the drop-out rate was reduced to 5 percent in the first six months and down to 0 percent in November 2008. The school observed that most of the children bought the obligatory school-uniform and ‘even’ shoes. The teachers further noted a turn-around in the behaviour and performance of the children due to improvement in nutrition and the general well-being of the children. The teachers summarised it in the following way:

“Learners used to come to school with empty stomachs but now this is no longer the case. Before [BIG] the learners did not concentrate in class due to hunger, but now they are more energetic and concentrate more, thus there are better results now.”

The day-care centre also reported an increase from 13 children attending to 52 due to the ability of parents to pay for that service and the teachers observed general improvement due to better nutrition and better care for the children from the side of the parents.

Overall, the BIG has significantly contributed to an improved environment as far as schooling and child development are concerned. This happened without any outside pressure or attachment of conditionality to the cash transfers. People themselves decided what was good for their children. All they needed was the income to do so.

**Impact of BIG on employment and income**

A not so obvious and not so much anticipated impact of the BIG occurred in the employment situation, as well as in the additional income situation of the BIG recipients. This is an important area, since the BIG concept and the pilot project had, since its inception, to face the critique that giving people money ‘for free’, without any conditions or obligation, would lead to laziness and the withdrawal of people from the labour market. The research, therefore, carefully analysed the impact of the BIG on the economic sphere of the individuals and the community as a whole.

The developments in Otjivero have shown that over the research period unemployment decreased, employment in both the formal and informal sector rose and, very importantly, an increase in income beyond the value of the BIG was realised.

Looking at the potential labour force (adults aged 15 and above), the following trend in the unemployment rate occurred.

Graph 2 shows a decrease in the number of unemployed people from 60 percent to 45 percent. The data thus provides evidence that the BIG did not result in people deciding not to work, but on the contrary, the BIG facilitated greater labour-market participation and employment. The people of Otjivero engaged in self-employment activities, like the development of small shops (see below), but also used the security of the BIG to look for formal employment in towns. Recipients related that they were now able to travel or to put a job-seeking advertisement into the newspaper without jeopardizing the family’s food budget.

This increase in employment subsequently had positive effects on the individual income situation beyond the value of the grant, even with the effect of immigration into Otjivero. The next graph illustrates this growth in income:

Graph 2 shows a decrease in the number of unemployed people from 60 percent to 45 percent. The data thus provides evidence that the BIG did not result in people deciding not to work, but on the contrary, the BIG facilitated greater labour-market participation and employment. The people of Otjivero engaged in self-employment activities, like the development of small shops (see below), but also used the security of the BIG to look for formal employment in towns. Recipients related that they were now able to travel or to put a job-seeking advertisement into the newspaper without jeopardizing the family’s food budget.

The BIG has had positive direct as well as indirect effects on income generation. By providing the BIG as a small source of secure income, people were able to increase their productive income earned. Dividing the sources of income into different categories, self-employment came top of the list with an increase of 301 percent, wage employment rose by 19 percent and farming by 36 percent.
Especially the sharp rise in income from self-employment was possible through the creation of buying power by the BIG, which supported and enabled the growth of new self-employment activities. Most small enterprises, which emerged following the introduction of the BIG, were in retailing, brick-making and the manufacture of clothing. According to the people interviewed, the BIG was central in providing start-up capital for economic investments and local buying power to make the businesses succeed.

“I started my business of making ice lollies right after the BIG started… The demand for ice lollies is big because I make the biggest ice lollies in the settlement. I sell one ice lolly for 50 cents and I make 50 a day... With the BIG, people have money to spend, that is why I make the ice lollies.” (Belinda Beukes)

Likewise, Frieda Nembwaya realised her dream of opening a bakery after the introduction of the BIG. Before, the lack of own capital as well as the lack of buying power in the community itself had prevented her from doing so. She started by making about 100 rolls a day and said her profit was N$ 400 per month with good signs for further expansion.

This is an important finding especially in times, when countries struggle to positively stimulate their local economic development. The stimulus created by the BIG resulted in a sustained personal income increase beyond the money given from the outside and an increase in self-employment activities.

Community mobilisation

On the community level, the Otjivero community embarked on a community mobilisation process which came unexpectedly and without any influence from the outside. Upon registration for the BIG pilot project, the community decided to elect a ‘BIG Committee’ to assist the community and to accompany the project. The community elected an 18 member strong representative committee which in the subsequent months and years worked together with the BIG Coalition and within the community to raise awareness, educate, conscientise and empower the community on BIG related issues. The Committee wrote themselves guiding principles where they stated that the pilot project is “a little project with a large aim. The aim is to UPLIFT the ‘life’ of Omitara, then Namibia, then Africa and at last the world” (Haarmann et al. 2009: 37–38). The BIG pilot project ignited hope and responsibility in the community which realised that the success of the project of an unconditional cash transfer depended solely on the recipients themselves. The awareness raising by the committee was done in a spirit of common ownership and self-empowerment without coercion.

Challenges for the project, like alcohol abuse, were discussed openly and in a participatory way. It should be argued that this process was also possible due to the universal nature of the project: Since everybody got the grant, the community was united instead of divided between beneficiaries and non-beneficiaries, and the issues could be discussed openly and in a spirit of unity.

Indeed, there is a strong case for assuming that providing people with a BIG not only improves their material circumstances, but promotes dignity, socially responsible behaviour and can lead to an empowerment process. As Otjivero resident Jonas Damaseb told us:

“Generally, the BIG has brought life to our place. Everyone can afford food and one does not see any more people coming to beg for food as in the past. What I can say is that people have gained their human dignity and have become responsible.”

A related issue to this empowerment and community mobilisation process is the discussion and handling of the use of alcohol in the community. Some critics of the BIG claimed it would lead to an increase in alco-
hol use and abuse in the community. However, during the research period and based on discussions with the community, there was no evidence of an increase in alcoholism as the result of the BIG. The research did not find an increase in the numbers of shebeens (small shops selling alcohol) nor in their turnover.

It is clear that alcohol use and abuse exists in Otjivero as in any other community in Namibia. What happened, however, was an active commitment and conscientisation process from the side of the BIG committee in Otjivero about it, which raised awareness. The Committee engaged with the shebeen owners not to open their shops on the day when the BIG was paid out and started an open discussion about the danger of alcohol abuse. Of course, the BIG is not able to solve the problem, but there is also no evidence that it aggravates it. However, the establishment of the BIG committee and the discussion about the potential misuse of BIG money for alcohol has triggered a conscientisation process within the community. This should be regarded as a positive development and a step in the right direction to tackle the problem.

THE WAY FORWARD

After two years of implementation, the BIG pilot project came to its planned conclusion in December 2009. The aim of the BIG pilot project was to show the effectiveness of a universal grant as an immediate measure of poverty alleviation. The results of the pilot project have shown the effectiveness of a BIG in fighting poverty, but most interestingly in fostering social development and kick-starting local economic growth. The BIG Coalition hopes that the Namibian Government will engage in the factual debate and, based on the actual experience of the people in Otjivero, will implement a BIG nationwide. Furthermore, the Coalition argues that the welfare of the country’s citizens is the responsibility of the Government and that this cannot be substituted through civil society projects.

However, there was no immediate commitment of the Government to move towards national implementation. Therefore the BIG Coalition decided for humanitarian reasons not to stand by and let the residents of Otjivero slide back into the dehumanising levels of poverty that they experienced before the BIG was introduced. In a participatory process the BIG Coalition and the BIG Committee in Otjivero thoroughly discussed how to support the community in the meantime. The community made it clear that projects would not be an alternative, since it would only support a few and could not sustain the economic growth reached. Finally, it was decided to utilise a ‘bridging allowance’ to tide over the households for the time being. Therefore all the people who have participated in the pilot project have been paid a “bridging allowance” of N$ 80 per month. While the amount is considerably less than that of a Basic Income, it is hoped to support the positive development gains of those who participated in the pilot project.

While the ‘bridging allowance’ has been paid, the BIG Coalition has continued to lobby the Government to implement the BIG nationwide. There has been an intensive debate about the BIG in the last five years, and there are many reasons to believe that national implementation is on the cards. The government recognises that Namibia is still one of the most unequal countries in the world, facing an imminent crisis with an unemployment rate of 51 percent. Thanks to the BIG pilot project there is, for the first time worldwide, extensive scientific evidence of the social and economic impact of a BIG. And there is people’s own account on how life has changed with the BIG, as the residents of Otjivero are a living testimony to what is possible. Furthermore, detailed studies elaborate on various financing options and confirm the financial sustainability of the BIG for the Namibian budget and economy.

The BIG proposal now enjoys tremendous public support, and many politicians have publicly supported the BIG idea. However, it is by no means clear, whether a national BIG will soon see the light of day in Namibia since the ruling party is divided on the issue. Some prominent members like the former Prime Minister and now Minister of Trade and Industry have pledged their support publicly. At the same time, the President and the Prime Minister have spoken against the implementation and the concept itself. Disregarding experience and findings of the pilot project, the Prime Minister similarly tried to ridicule the BIG as “not a normal concept (…) making a joke out of the poor” (Shejavali 2009). The President dismissed the idea cynically by saying “We can’t dish out money for free to people who do nothing” (Kisting 2010).

These remarks against the BIG reveal the neo-liberal ideology, grounded in the belief that everybody gets...
what he deserves, thus putting the blame for poverty on the poor themselves. Moreover, they ignore the results of the pilot project and the testimony of the people of Otjivero, and argue on a superficial ideological basis as if the pilot project had never existed. These statements give reason for concern about how honestly the government will look critically and innovatively into options to change the status quo.

The support from trade unions
Events in the Federation of Unions in the middle of 2010 mirror these splits of opinions within the political leadership, while the idea enjoys grass-roots support: An executive council meeting of the union’s federation, which was a founding member of the BIG Coalition, decided in July 2010 to pull out of the Coalition. They could not conceal from the public that there was no factual basis for their change in opinion, but that it was out of loyalty to what was perceived as the position of the party leadership (Jauch 2010a). However, then the unexpected happened. The union leadership’s announcement to pull out of the BIG Coalition resulted in a massive public outcry against the policy decision of the leadership which had been led by self interest. The newspapers were full of letters and SMSes in support of the BIG (Dudley 2010).

Most importantly, the 600 delegates of the Union’s Congress in September 2010 forced the BIG issue onto the agenda and (uniquely in the post-independence era) revoked the decision of their leadership and resolved to rejoin the BIG Coalition. This popular come-back of the BIG has added a new dimension to the pressure within the ruling party towards national implementation. However, this is uncharted ground in independent Namibia. On other issues, internal opposition has been neutralized, but not in this case (Jauch 2010b). It remains to be seen how the public demand for the BIG and the discussions and power struggle within the Government will play out.
The Africa Platform for Social Protection

Although many civil society organizations (CSOs) have been actively involved in the implementation of poverty eradication programmes, very few are involved in the policy discussion about social protection in Africa. The Africa Platform for Social Protection (APSP) was founded in 2007 in order to engage civil society in the process of establishing and implementing social protection policies and programmes in Africa, which started with the ‘Livingstone Declaration’ by the African Union (AU) in 2006. In this article, Edmond Odaba tells about the work of APSP.

Social Protection policies, including social transfers, are increasingly seen as an important means of tackling poverty and vulnerability. A number of African countries are starting to develop national strategies and programmes and have declared an intergovernmental commitment to promote social protection across the continent. Civil society organizations (CSOs) have an important contribution to this commitment by building grassroots political support for social protection measures and by ensuring that policies are designed and implemented for the benefit of vulnerable citizens.

Regrettably, there has been little or no effective policy engagement by African civil society organizations (CSOs), notwithstanding the fact that many such CSOs have previously been actively involved in the implementation of poverty eradication projects and programmes. Thus the efforts that these CSOs put in service delivery are not matched by efforts to influence anti-poverty policy debates and dialogues. Hence gaps exist between the roles which they (CSOs) currently play in the design and implementation of social protection measures and the participatory role (in policy engagement) envisaged in the so called Social Policy Framework of the AU.

The APSP seeks to close that gap and brings together a growing number of national civil society platforms for social protection throughout Africa. Currently it has 13 member platforms in various stages of development, and it supports the formation of member platforms in further nine countries.

23 There are national platforms in South Africa, Mozambique, Lesotho, Swaziland, Kenya, Uganda, Rwanda, Senegal, Ghana, Niger, Sierra Leone, Cameroon and Malawi.

The mission of APSP
APSP has identified three overlapping social protection agendas in Africa:

- **The Technocratic Agenda** which focuses on issues of efficacy and cost-effectiveness of social protection interventions;

- **The Political Agenda** which stresses the poverty realities of different population groups; and

- **The Rights-Based Agenda** which is concerned with the need to adopt universal principles and standards relating to social protection.

The overall objective of the APSP is to support the development of effective national social protection policies and programmes for people in chronic poverty, in particular older people, children and people with disabilities and thereby contribute to the achievement...
of the Millennium Development Goals and the implementation of the African Union Social Policy Framework.

That objective can best be achieved if citizens and civil society organisations are engaged in the design and delivery of social protection programmes, monitoring, and advocacy. Therefore the immediate purpose of the Platform is to strengthen civil society engagement with social protection policy formulation and implementation in Africa.

One example of the work of the APSP is its support of the establishment of a National Platform in Swaziland. The APSP organized a two day training workshop for representatives of NGOs, research and academic institutions and the government, introducing the essential concepts of social protection in East, Southern, Central and West Africa and equipped the participants with skills and knowledge to run training and awareness raising events for a range of audiences. At the end of the workshop, the civil society participants agreed to form a national platform as a vehicle that will champion their voices to the government and also coordinate the activities to sensitize the citizens on what social protection is.

The APSP also has the role of making a linkage between the developments at national civil society level and the AU. Although policy formulated by the AU cannot be imposed on member states, the AU does have a reporting mechanism, which puts pressure on member states to implement what they have agreed upon at national level. The APSP regularly carries out case studies to assess the different forms of social protection that already exist in African countries and their impact on poverty reduction.

**The Social Policy Framework for Africa**

African governments made far-reaching commitments on social protection during the Conference of Ministers in charge of social development in October 2008 in Windhoek, Namibia at which they agreed on the Social Policy Framework for Africa, SPF, (AU 2008). This framework has been developed to provide the political backing for increased investment in social development actions throughout Africa, including basic services, social protection and the furthering of human rights of all citizens. In November 2010, Ministers confirmed these commitments in a Minister Declaration adopted in Khartoum.

Social protection is mainstreamed throughout the SPF and also reflected in the Windhoek Declaration and in the Africa Position on Social Integration. A number of African governments have started up cash transfer programmes as a follow up to the Intergovernmental Regional Conference at Livingstone, Zambia, in March 2006, where the Livingstone Declaration was affirmed. Since that conference the profile of social protection and social cash transfers in particular, has risen up the development and social policy agenda both internationally and in Africa. The SPF represents a major step forward, by involving more governments and establishing a more formal commitment by those governments.

The development of national social protection systems rests on the assumption that national dialogue, explicitly including civil society, is an important part of the process. It is often observed, for example in the Livingstone Declaration, that social protection can “strengthen the social contract between the state and citizens, enhancing social cohesion”. The role of civil society is now clearly laid out in the SPF where it is urged “to work in collaboration with the AU Commission and Member States to promote, disseminate and implement the SPF”.

Civil society organisations have been actively promoting the development of social protection systems over the past years and in several countries they are already involved in opening up national discussions on social protection to develop a national consensus on what constitutes an appropriate, affordable national minimum package.

**The work of the Africa Platform for social protection so far**

Being a pioneer pan-African forum, bringing together a host of Africa-focused CSOs to work on social protection, APSP has helped to break through the traditional barriers of CSOs only providing services to the poor and vulnerable to the all important issue of policy. In so doing the platform has established good credibility not only in creating awareness about social protection but also in stimulating interest for evidence-based policy engagement on the subject.
The platform has so far achieved the following:

• Facilitated the formation of 13 national level platforms and coordination mechanisms in the 5 AU regions of the West, South, Central, West and North Africa.

• Organised training of trainers events for more than 50 CSO representatives as trainers on social protection who are now the leading resource persons in 24 participating countries.

• Established linkages between CSOs and their governments and the regional bodies such as the AU and other regional economic communities.

• Undertaken civil society consultative meetings in different African countries on how civil society can support the implementation of the African Union Social Policy Framework strategy. In November 2010 APSP presented a progress report to the ministers from AU member countries in charge of social development on the status of social protection in Africa from the civil society perspective.

Edited by Carl-Henrik Jacobsson, Church of Sweden
At the turn of the century, social protection emerged as a new paradigm that shifted the antipoverty policy agenda in Latin America – and in the global south as a whole from conventional approaches to food aid, subsidies and other forms of ‘safety-nets’ to regular, reliable and predictable forms of assistance. This new paradigm, described elsewhere as a ‘quiet revolution’ (Barrientos and Hulme, 2008), is currently reaching and changing the lives of more than 860 million people worldwide, 25 percent of whom live in Latin America and the Caribbean (see Table 1 below). This means that social assistance has become the most important policy instrument against extreme deprivation at the present time. The shift in policy thinking reflects an emerging consensus that eradicating poverty requires economic growth, basic service provision and social protection. It also reflects a shift in the conventional wisdom on the nature and causes of poverty, moving from poverty as a lack of income to notions of poverty as a multidimensional phenomenon.

The International Labor Organisation (ILO) divides the notion of Social Protection into three general categories: social insurance, labor market regulation, and social assistance.

- **Social insurance** includes contributory schemes designed to protect workers against life-course and work-related contingencies.
- **Labor market regulations** are legal frameworks aimed at ensuring minimum standards for employment and safeguarding workers rights.
- **Social assistance** includes tax-financed policy instruments designed to address poverty and vulnerability (ILO, 2001).

In this paper, I discuss social protection with an explicit focus on social assistance, as it represents the most significant changes to the social protection systems in Latin America over the last decade. In particular, I will focus on one of the earliest and perhaps most studied social assistance programmes in the developing world: Mexico’s Progresa (later renamed as Oportunidades). The programme, hereafter referred to as Progresa-Oportunidades, has been revolutionary in at least four important respects:

First, the programme embraces, by design, a multidimensional approach to poverty. It links income transfers with simultaneous interventions in health, education and nutrition, placing a strong emphasis on tackling the intergenerational transmission mechanisms of poverty through human capital investment. The programme requires parents sending their children to school and attending periodic health check-ups in exchange for income transfers that support expenditure on schooling, health and nutrition. The
‘human development’ approach to social assistance has expanded rapidly in Latin America and beyond, with over 30 countries with large scale programmes in place (Fiszbein and Schady, 2009). Barrientos, Niño-Zarazúa and Maitrot (2010) also report a number of pilot schemes emerging particularly in the sub-Saharan African region, with pilot projects already introduced in Kenya, Malawi, Ghana and Zambia; and at implementation stage in Nigeria, Liberia, Uganda, and Tanzania.

Second, one of the most distinctive features of Progresa-Oportunidades is its focus on the poor. This is in clear contrast to generalised food subsidies and other targeted interventions which dominated the antipoverty agenda in the past, which were regarded as being highly regressive, and which had high leakages to the non-poor (Levy, 2006).

Third, Progresa-Oportunidades followed a complex and statistically-based system of identification and selection of beneficiaries at the household level, with the specific objectives of improving the efficacy of policy outreach and preventing discretionary manipulation associated with opportunistic political behaviour and clientelism, as occurred with previous anti-poverty policies. This would ensure, it was assumed, that public resources distributed through Progresa-Oportunidades would be directed to those in most need i.e. households in extreme poverty.

Fourth, but not least, Progresa-Oportunidades incorporated an independent impact evaluation protocol that included the academic research community both nationally and internationally. This helped not only to improve the programme’s effectiveness over time, but also to strengthen its legitimacy across different political factions and constituencies (Skoufias, 2005).

SHIFTING THE ANTIPOVERTY POLICY AGENDA IN MEXICO: THE EMERGENCE OF PROGRESA-OPORTUNIDADES

Mexico’s Progresa was launched in August 1997, two years after the country experienced one of the most difficult political and economic crises in more than five decades. In January 1994, the uprising of the Zapatista Army for National Liberation in the southern state of Chiapas coincided with a series of events, notably the assassination of the Presidential candidate of the ruling Institutional Revolutionary Party (PRI) in March that year. These events generated great political uncertainty that contributed to trigger the Peso crisis of December 1994 (Gil-Díaz and Carstens, 1996). The setback of 7 percent in real GDP in 1995 had a devastating impact on household welfare. The headcount index (or poverty incidence) associated with a food-based poverty line soared from 21.2 percent just before the crisis to 37.4 percent in 1996.25

In the aftermath of the crisis, the incoming Zedillo administration (1994–2000) was faced with limited capacity to assist the poor for two important reasons. One the one hand, severe budgetary restrictions resulting from the slowdown of the economy and austerity measures meant that the government had very little room for manoeuvre to increase social spending. On the other hand, most antipoverty policies at the time consisted in generalised and targeted food and in-kind subsidies that reached just a fraction of the poor. Indeed, more than 75 percent of the total budget for subsidised food consumption was allocated in urban areas, despite the fact that nearly 60 percent of the poor lived in rural communities. That meant that a large percentage of the income transfer distributed through food subsidies was captured by the non poor (Levy, 2006). As a result, the temporary measures adopted to offset the impact of the crisis had very limited effectiveness, particularly amongst the poorest.

25 Two additional poverty lines are used in Mexico: A capabilities-based poverty line that adds to the food-based basket other expenditure items such as health care, education, clothing, housing and public transport. If adopting that poverty threshold, the headcount index increases from 30 percent in 1994 to 47 percent in 1996. The third poverty line is asset-based, and results from adding to the food-based basket the mean value of non-food expenditure of households belonging to the lowest 10th percentile. When this poverty line is adopted, the poverty incidence in Mexico rises from 32.4 percent just before the crisis to 69 percent in 1996. For more details see Secretaría De Desarrollo Social (2002) Medición de la Pobreza. Variantes metodológicas y estimación preliminar. Documentos de investigación. Mexico City, Comité Técnico para la Medición de la Pobreza.
The other social policy available was the National Solidarity Programme (Pronasol) – a matching grant programme for financing small and medium sized infrastructure and social projects, introduced by President Salinas de Gortari to compensate the adverse effects and vulnerabilities associated with the rapid market liberalisation and structural change of the 1980s. Pronasol had lost legitimacy as it was heavily criticised for its political manipulation by the ruling PRI during the Presidential election of 1994 (Molinar Horcasitas and Weldon, 1994).

Political considerations
Political manipulation in the distribution of social spending in Mexico had been more of a norm than an exception, particularly in the absence of clear and effective transparency and accountability rules. Practices of this sort have also been reported from other incumbent governments in Latin America and industrialised countries. For example, Schady (2000) finds that during Alberto Fujimori’s administration, an increased expenditure of Peru’s social fund Foncodes was given to provinces where his party had received support in previous elections. Gibson and Calvo (2000) show that the government of Carlos Menem in Argentina manipulated social spending to gain support at Congress to introduce economic reforms. Dahlberg and Johansson (2002) also find strong evidence of a skewed distribution of municipality grants towards regions with large proportion of swing voters during the Swedish 1998 election.

In a context of rapid democratisation and increasing political competition, the Zedillo administration decided to reform the rules of antipoverty policy to improve the transparency and efficiency of those systems (Escobar Latapi, 2002). In particular the government began a process of decentralisation that culminated in a new law (Law of Fiscal Coordination), in which funding decisions on public infrastructure such as schools, health clinics and rural roads were taken at state and municipality level and allocated on non-discretionary principles, on the basis of statistical poverty indicators (Somuano et al., 2006). These reforms, in addition to the introduction of Progresa-Oportunidades, signalled a major shift in antipoverty policy thinking in Mexico.

In particular, a major change in policy was the focus on households rather than on communities. Progresa-Oportunidades aimed, by design, at promoting a direct relationship between the federal government and the recipient households whilst explicitly limiting the involvement of local governments and civil society organisations. The objective of this was to prevent the reproduction of corporatist, authoritarian and clientelistic practices that peasants’ cooperatives, rural workers’ unions and community associations have shown in the past (Dagnino et al, 2006; Levy and Rodríguez, 2004). Although some private intermediaries were involved in the beginning of the operation of the programme, from 2002 onwards, the entire operation was under the coordination of a federal coordinating agency without the participation of any civil organisation. At the same time, civil society organisations did not show any particular interest in overseeing or taking part in the programme, as there were no economic incentives and/or means to cover fees, commissions and other administration costs, leaving most activities to the federal coordinating agency (Hevia de la Jara, 2008).

Financing issues
It is worth noting that Progresa-Oportunidades gradually replaced previous food subsidies that were ineffective in reaching out to the poor. That was a key policy decision, as the introduction of Progresa-Oportunidades on top of food subsidies would have simply been unfeasible under conditions of limited fiscal resources. Levy (2006) has pointed out the importance of the presidential leadership in phasing out food subsidies that had been in place for over two decades. The substitution of social policies helped the government to avoid additional pressures on the federal budget.

Financing has emerged as a key constraint in discussions on extending social assistance, particularly in low-income countries. Tax revenues are a major source for financing social assistance. In low- and low-

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26 Studies have found strong correlations between allocation of Pronasol funds and political outcomes. Overall, evidence suggests that Pronasol was used to mobilise PRI’s electoral machinery to gain support from both core and swing constituencies. For further discussion, see: Dion, M. (2000) La economía política del gasto social: el Programa de Solidaridad de México, 1988-1994. Estudios Sociológicos, 53.
er middle-income countries, taxes represent about 80 percent of government revenues, followed by revenues from property income, sales of goods and services, international aid, and property income (IMF, 2009). Low-income countries in particular face heavy constraints on their capacity to improve tax collection systems. These constraints are associated with the structure of the economy – the rural subsistence economy and the informal sector are very difficult to tax – as well as with the administrative capacity of revenue authorities (see Barrientos and Niño-Zarazúa, 2012).

Budgetary considerations have contributed to make the global coverage of social assistance largely skewed towards middle income countries. The mean spending on social assistance in Latin America is in the order of one percent of GDP, although that proportion is conditional on the size of economy, the efficiency of tax collection systems and the scale and scope of the interventions. So while upper middle-income countries, such as Colombia, Chile, Mexico, Peru, and Uruguay, spend less than one percent of GDP on social assistance, lower middle-income countries such as Bolivia and Honduras allocate more than 2 percent of GDP (Grosh et al, 2008). In particular, Progresa-Oportunidades absorbs just a fraction of Mexico’s GDP, about 0.3 percent, and that proportion is expected to diminish under positive economic growth and a sustained reduction in poverty.

It is worth pointing out here the fact that although the programme was ‘home-made’ and financed with domestic resources during the first years of operation, the international community, via the Inter-American Development Bank and the World Bank, supported the expansion of the programme later on, with credit and technical assistance, especially after the political transition of 2000.27 But most importantly, the international community played a significant role in the dissemination and replication of similar programmes with a human development focus across the developing world. Overall, the economic crisis of 1994–1995, coupled with a number of factors, notably a process of rapid democratisation and political competition and a reallocation of budgetary resources laid down the conditions for the introduction of Progresa-Oportunidades.

**PRINCIPLES AND PROGRAMME OBJECTIVES**

Mexico’s Progresa-Oportunidades, as many other human development programmes in Latin America – also referred to in the literature as conditional cash transfers or CCTs, combines income transfers with preferential access to health or education services. The programme is centrally run by a federal agency that identifies and selects programme beneficiaries. That agency also coordinates payments, monitoring systems and service delivery with ministries and agencies at federal and state level. Thus, whilst the federal government is responsible for making payments and coordinating policy, state governments are in charge of the direct provision of health and education services. Human development programmes explicitly aim at both reducing extreme poverty and promoting investments in human capital, particularly amongst children. These two policy objectives are linked to co-responsibilities that consist in requiring parents to sending their children to school and attending periodical health checkups.

**Targeting extreme poverty**

The first policy objective, i.e. reducing extreme poverty, is a distinctive feature of social assistance programmes in Latin America. Unlike food subsidies and other development interventions in the past, these programmes aim at protecting basic levels of consumption of the poor and most vulnerable. There is an important political economy dimension associated with social assistance focusing on the extreme poor. Shared perceptions and values about the causes of extreme deprivation can play a role in persuading political constituencies to support policy interventions that assist the poor (Barrientos and Neff, 2010). This was actually what happened in Mexico.

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27 In 2002, the Inter-American Development Bank agreed a US$1 billion loan to Progresa-Oportunidades, the largest loan ever made by the bank to a poverty reduction programme, and in 2005 the loan was renewed for US$2 billion for another four years (Levy 2006). In January 2010, the government announced an expansion of Progresa-Oportunidades to cover an additional 600 thousand low-income households, primarily in urban areas. However, as the budgetary capacity of the Mexican government had been severely constrained as result of the global financial crisis, the expansion of the programme was financed with public borrowing: a US $1.5 billion fixed-spread loan from the World Bank and a US $600 million loan from the inter-American Development Bank (see Barrientos and Nino-Zarazua, 2012).
A generalised consensus about the urgent need to tackle poverty, and the emerging evidence pointing at significant impacts from Progresa, persuaded the incoming conservative Fox administration (2000-2006) to keep, and subsequently expand the programme (renamed thereafter as Oportunidades) to urban areas. In Brazil, President Lula signed in 2004 a law that introduced the notion of universal basic income for all; however, due to budgetary constraints, it was decided that the focus of Bolsa Familia would be on the poorest first as they were the most urgently in need of support.

The decision about assisting the poorest with social assistance has a strong foundation in principles of social justice. Welfare economics suggests that policies focusing on the poorest are welfare-enhancing. This means that an additional unit of income transferred to the worst off would produce a greater benefit than the same additional unit of income transferred to the better off. In other words, “a dollar that helps us avoid poverty is more valuable than a dollar that helps us become very rich” (Rabin, 2000: 1281).

The effectiveness of social assistance programmes in reaching out to the poor is largely contingent on the methods for the identification and selection of the intended beneficiaries.

**Facilitating human capital investment**

The second policy objective of Progresa-Oportunidades, i.e. promoting investments in human capital, is based on strong theoretical principles and empirical evidence showing that the formation of human capital, through improvements in education, health and nutrition, plays a central role in enhancing people’s capacity to produce, interact with their peers and integrate in society. On the contrary, poor nutrition, poor health and limited schooling are associated with low labour productivity, low incomes, and ‘vicious cycles’ of poverty. In low-income countries, 43 percent of children aged 0–5 are underweight and the prevalence of malnutrition is often two to three times higher among the poorest income quintile (Wagstaff and Watanabe, 2000). There is also systematic evidence that poor households are less likely to be in a position to support their children’s education (World Bank, 2006). Children who do not have the opportunity to complete their basic education are also likely to face lifetime poverty (Hoddinott and Quisumbing, 2003).

Social assistance programmes become critical in that context, as they can relax households’ budget constraints while encouraging human capital investment. Indeed, empirical evidence shows that human development programmes in Latin America have allowed poor households to increase the quantity and quality of food they consume. They also seem to have facilitated intra-household time reallocation so that their children can go to school. More schooling and better health and nutrition for children can translate into greater future productivity, higher economic development and social mobility. The complementarities between nutrition, health and education, and the spill over effects and positive externalities emerging in labour and credit markets are key to understanding the expansion of social assistance, in terms of scale and global coverage, with a human development focus.

But while design features, particularly the so-called conditionalities, have dominated the discussion surrounding human development programmes in Latin America, issues of coverage, scale and transfer size, regularity and duration of support are of much greater significance.

The theoretical principles underpinning conditionalities in social assistance rely on the assumption that, under situations of extreme deprivation, households heavily discount children’s future consumption of health care and education. In those contexts, conditionalities are expected to price up the underestimated value of service utilisation and, therefore, have a greater impact on household welfare than unconditional transfers. However, the evidence in this respect is inconclusive. While conditions are reported to increase service utilisation more than unconditional transfers in Latin America (see e.g. de Brauw and Hoddinott, 2008; Schady and Araujo, 2006; Bourguignon et al., 2003), other studies show that unconditional transfers can also have positive impacts on household welfare (Duflo, 2000; UNICEF, 2000).

A few controlled experimental studies are currently being conducted to compare the effects of conditional and unconditional transfers and they may provide further evidence on this particular subject. The marginal costs and benefits of enforcing conditionalities are not fully known either, and more empirical work is needed on this area. Nonetheless, the idea of households’ co-responsibilities in tackling poverty has played an important role in gaining public support to expand social assistance, particularly at early stages of institutional development of pioneer programmes.
such as Progresa-Oportunidades, as rigorous impact evaluations were not available at the time.

INSTITUTIONAL DESIGN
The effectiveness of Progresa-Oportunidades has been largely contingent on the methods adopted for the identification and selection of beneficiaries. The programme developed complex systems of identification and selection with the specific objective of improving the efficacy of policy outreach and avoiding its politicisation, as had occurred in the past with other social policies. These systems involve geographic selection of poor areas using census-based marginality index, categorical criteria to identify poor households using socioeconomic survey and census data, and proxy-means tests to select beneficiaries.

Scale and coverage
Budget restrictions made it necessary for the Mexican government to rollout the programme gradually. In 1997, Progresa was introduced in rural areas, in selected regions and only in localities with school and health infrastructure, as its multidimensional approach to poverty required the provision of public services. About 300,000 households living in 6,344 rural communities received support. The programme focused on rural localities first as a large percentage of households in poverty lived in rural localities. By 2000, before the Presidential elections of July 2000, the rollout phase of the programme was completed, reaching nearly 2.5 million households living in 53,232 communities.

However, by focusing exclusively on rural areas, Progresa was de facto excluding the urban poor who remained disqualified to receive support simply for not having lived in the selected geographical settings. At the same time, the requirement that communities possessed the necessary public infrastructure excluded remote rural areas with poor infrastructure. The human development focus of the programme also worked against the inclusion of households without children. These induced ‘exclusion errors’ were key in persuading the Fox administration to modify the programme to include other vulnerable groups, such as the elderly, and extend it to urban areas in 2003.

By June 2010, Progresa-Oportunidades covered more than 5.5 million households living in more than 103,600 localities, meaning that one out of every four families in Mexico received support from the programme. More than 70 percent of beneficiaries are regarded as extremely poor. The rapid expansion of the programme coincides with a steep rise in the global coverage of social assistance in Latin America and in the developing world. The share of the population covered by transfer programmes in Latin America varies from country to country. This ranges from just a fraction of those in poverty covered by Paraguay’s Red de Protección y Promoción Social to nearly 40 percent of households covered by Ecuador’s Bono de Desarrollo Humano. All in all, different types of transfers reach in excess of 190 million poor households worldwide, with approximately 860 million people currently benefiting directly or indirectly from social assistance (see Table 1). This means that social assistance has become the most important policy instrument against extreme deprivation at the present time. Remarkably, Progresa-Oportunidades and other programmes in Latin America have made a significant contribution to tackling poverty and severe deficits in well being. Several factors seem to contribute to the poverty effectiveness of social assistance, but especially important are transfer size, regularity of transfers and duration of support.\textsuperscript{28}

Transfer size
Transfer size is connected with programme objectives and the principles underpinning programme design choices. For most of the human development programmes in Latin America, the generosity of transfers varies considerably. Measured as a percentage of household income, transfers range from 6 percent in Brazil to nearly 20 percent in Mexico (Grosh et al., 2008). Transfer size can be important in determining the poverty effectiveness of social assistance programmes. Larger transfers are likely to have greater effects on poverty but with limits. The results from some studies suggest that ceteris paribus the marginal social return to transfer size – in terms of increasing schooling, improving nutritional and health status, or reducing poverty – may become lower at high levels of transfers (see e.g. Filmer and Schady, 2009; Bourguignon et al., 2003).

Table 1. Coverage of Social Assistance in Latin America and the Caribbean

<table>
<thead>
<tr>
<th>Programme Title</th>
<th>Country</th>
<th>Type</th>
<th>Number of households (in millions)</th>
<th>Number of Beneficiaries (in millions)</th>
<th>Income Group¹</th>
<th>Poverty focus ²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bolsa Familia (absorbed Bolsa Escola in 2003 and Child Labour Eradication in 2006)</td>
<td>Brazil</td>
<td>Income transfer plus</td>
<td>12.5</td>
<td>52.30</td>
<td>Upper middle income</td>
<td>High</td>
</tr>
<tr>
<td>Prévidência Rural</td>
<td>Brazil</td>
<td>Pure Income</td>
<td>7.5</td>
<td>37.50</td>
<td>Upper middle income</td>
<td>Categorical</td>
</tr>
<tr>
<td>Progresa–Oportunidades</td>
<td>Mexico</td>
<td>Income transfer plus</td>
<td>5.5</td>
<td>27.50</td>
<td>Upper middle income</td>
<td>High</td>
</tr>
<tr>
<td>Beneficio de Prestaçao Continuada</td>
<td>Brazil</td>
<td>Pure Income</td>
<td>2.4</td>
<td>10.00</td>
<td>Upper middle income</td>
<td>High</td>
</tr>
<tr>
<td>Bono Juancito Pinto</td>
<td>Bolivia</td>
<td>Pure Income</td>
<td>1.8</td>
<td>9.00</td>
<td>Lower middle income</td>
<td>High</td>
</tr>
<tr>
<td>Familias en Accion</td>
<td>Colombia</td>
<td>Income transfer plus</td>
<td>1.5</td>
<td>7.50</td>
<td>Upper middle income</td>
<td>High</td>
</tr>
<tr>
<td>Programa Familias para la inclusión social</td>
<td>Argentina</td>
<td>Income transfer plus</td>
<td>0.7</td>
<td>7.50</td>
<td>Upper middle income</td>
<td>High</td>
</tr>
<tr>
<td>Bono de Desarrollo Humano (Bono Solidario)</td>
<td>Ecuador</td>
<td>Income transfer plus</td>
<td>1.2</td>
<td>6.00</td>
<td>Lower middle income</td>
<td>High</td>
</tr>
<tr>
<td>Generalización de la asignación familiar por hijo</td>
<td>Argentina</td>
<td>Pure Income</td>
<td>5.75</td>
<td></td>
<td>Upper middle income</td>
<td>Moderate</td>
</tr>
<tr>
<td>Programa de Apoyo Alimentario (PAL)</td>
<td>Mexico</td>
<td>Income transfer plus</td>
<td>0.825</td>
<td>4.13</td>
<td>Upper middle income</td>
<td>High</td>
</tr>
<tr>
<td>70 y mas (non-contributory pension)</td>
<td>Mexico</td>
<td>Pure Income</td>
<td>2</td>
<td>4.00</td>
<td>Upper middle income</td>
<td>Categorical</td>
</tr>
<tr>
<td>Régimen No Contributivo de Pensiones por Monto Básico</td>
<td>Costa Rica</td>
<td>Pure Income</td>
<td>0.79</td>
<td>3.95</td>
<td>Upper middle income</td>
<td>High</td>
</tr>
<tr>
<td>Pensiones Asistenciales – became Pensiones Solidarias 2009</td>
<td>Chile</td>
<td>Pure Income</td>
<td>0.7</td>
<td>3.50</td>
<td>Upper middle income</td>
<td>Moderate</td>
</tr>
<tr>
<td>Bono Dignidad</td>
<td>Bolivia</td>
<td>Pure Income</td>
<td>0.676</td>
<td>3.38</td>
<td>Lower middle income</td>
<td>Categorical</td>
</tr>
<tr>
<td>Programa de Atención a Jornaleros Agrícolas (PAJA)</td>
<td>Mexico</td>
<td>Public works</td>
<td>0.65</td>
<td>3.25</td>
<td>Upper middle income</td>
<td>High</td>
</tr>
<tr>
<td>Asignación Familiar</td>
<td>Uruguay</td>
<td>Pure Income</td>
<td>0.522</td>
<td>2.61</td>
<td>Upper middle income</td>
<td>Categorical</td>
</tr>
<tr>
<td>Mi Familia Progresa</td>
<td>Guatemala</td>
<td>Income transfer plus</td>
<td>0.478</td>
<td>2.39</td>
<td>Lower middle income</td>
<td>High</td>
</tr>
<tr>
<td>Programa Solidaridad</td>
<td>Dominican Republic</td>
<td>Income transfer plus</td>
<td>0.46</td>
<td>2.30</td>
<td>Upper middle income</td>
<td>High</td>
</tr>
<tr>
<td>Programa Juntos</td>
<td>Peru</td>
<td>Income transfer plus</td>
<td>0.421</td>
<td>2.11</td>
<td>Upper middle income</td>
<td>High</td>
</tr>
<tr>
<td>Chile Solidario</td>
<td>Chile</td>
<td>Integrated Antipoverty</td>
<td>0.335</td>
<td>1.68</td>
<td>Upper middle income</td>
<td>High</td>
</tr>
<tr>
<td>Programme of Advancement through Health and Education</td>
<td>Jamaica</td>
<td>Income transfer plus</td>
<td>0.318</td>
<td>1.59</td>
<td>Upper middle income</td>
<td>High</td>
</tr>
<tr>
<td>Programme Title</td>
<td>Country</td>
<td>Type</td>
<td>Number of households (in millions)</td>
<td>Number of Beneficiaries (in millions)</td>
<td>Income Group</td>
<td>Poverty focus</td>
</tr>
<tr>
<td>-----------------</td>
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<td>--------------</td>
<td>---------------</td>
</tr>
<tr>
<td>Programa de Empleo Temporal (PET)</td>
<td>Mexico</td>
<td>Public works</td>
<td>0.25</td>
<td>1.25</td>
<td>Upper middle</td>
<td>High</td>
</tr>
<tr>
<td>Bono Madre Niño and Bono Juana Azurduy de Padilla</td>
<td>Bolivia</td>
<td>Pure Income</td>
<td>1.2</td>
<td>1.20</td>
<td>Lower middle</td>
<td>High</td>
</tr>
<tr>
<td>Subsidio Único Familiar</td>
<td>Chile</td>
<td>Pure Income</td>
<td>1.2</td>
<td>1.20</td>
<td>Upper middle</td>
<td>High</td>
</tr>
<tr>
<td>PRAF II</td>
<td>Honduras</td>
<td>Income transfer plus</td>
<td>0.17</td>
<td>0.85</td>
<td>Lower middle</td>
<td>High</td>
</tr>
<tr>
<td>Juntos</td>
<td>Colombia</td>
<td>Income transfer plus</td>
<td>0.1</td>
<td>0.71</td>
<td>Upper middle</td>
<td>High</td>
</tr>
<tr>
<td>Avancemos</td>
<td>Costa Rica</td>
<td>Income transfer plus</td>
<td>0.13</td>
<td>0.66</td>
<td>Upper middle</td>
<td>High</td>
</tr>
<tr>
<td>Programa de Ampliación de Cobertura de la Educación Secundaria (PACES)</td>
<td>Colombia</td>
<td>Pure Income</td>
<td>0.13</td>
<td>0.63</td>
<td>Upper middle</td>
<td>High</td>
</tr>
<tr>
<td>Tekopora/PROPAIS II</td>
<td>Paraguay</td>
<td>Income transfer plus</td>
<td>0.12</td>
<td>0.60</td>
<td>Lower middle</td>
<td>High</td>
</tr>
<tr>
<td>Plan de Atención Nacional a la Emergencia Social – PANES</td>
<td>Uruguay</td>
<td>Integrated Antipoverty</td>
<td>0.083</td>
<td>0.42</td>
<td>Upper middle</td>
<td>High</td>
</tr>
<tr>
<td>Red Solidaria</td>
<td>El Salvador</td>
<td>Income transfer plus</td>
<td>0.08</td>
<td>0.40</td>
<td>Lower middle</td>
<td>High</td>
</tr>
<tr>
<td>Pensiones Asistenciales</td>
<td>Argentina</td>
<td>Pure Income</td>
<td>0.075</td>
<td>0.35</td>
<td>Upper middle</td>
<td>High</td>
</tr>
<tr>
<td>Programa de Pensiones No-Contributivas</td>
<td>Uruguay</td>
<td>Pure Income</td>
<td>0.06</td>
<td>0.32</td>
<td>Upper middle</td>
<td>High</td>
</tr>
<tr>
<td>Red de Oportunidades</td>
<td>Panama</td>
<td>Income transfer plus</td>
<td>0.07</td>
<td>0.26</td>
<td>Upper middle</td>
<td>High</td>
</tr>
<tr>
<td>Target Conditional Cash Transfer Programme (TCCTP)</td>
<td>Trinidad and Tobago</td>
<td>Income transfer plus</td>
<td>0.032</td>
<td>0.16</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>Red de Protección y Promoción Social</td>
<td>Paraguay</td>
<td>Income transfer plus</td>
<td>0.009</td>
<td>0.05</td>
<td>Lower middle</td>
<td>High</td>
</tr>
<tr>
<td>Total Latin America and the Caribbean</td>
<td></td>
<td></td>
<td>46.63</td>
<td>214.97</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL Developing World</td>
<td></td>
<td></td>
<td>172.65</td>
<td>863.27</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. This column classifies countries by income groups according to 2009 gross national income (GNI) per capita, calculated using the World Bank Atlas method. The groups are: 1) Low income, $995 or less; lower middle income, $996–3,945; upper middle income, $3,946–12,195; and high income, $12,196 or more.

2. Poverty focus has three categories: High if targeted on extreme poverty or poverty; (II) moderate if it covers some of the non-poor; (III) categorical covering poor and non-poor

source: Barrientos, Niño-Zarazúa and Maitrot (2010) and World Bank
There is an important gender dimension worth noting here. First, income transfers are given to mothers under the explicit assumption that women are effective agents of social change, given that they are found to be more committed to the well-being of their children than men (Dwyer and Bruce, 1988; Gómez-Hermosillo, 2005). Second, the size of the educational grant for girls increases with school progression. This is with the explicit objective of providing incentives to keep girls at school to reduce gender inequalities at secondary and high education.

**Regularity and duration**

Regular, predictable and reliable income transfers provide a minimum level of security that is essential for consumption smoothing and medium and longer term investment decisions. Empirical evidence suggests that regular transfers can relax credit constraints. In Brazil, the regularity of Prêvidencia Social Rural, which was introduced to cover informal workers, has enabled pensioners to access bank loans, as the membership to the programme seems to have reduced screening and other informational costs to lenders (Schwarzer, 2000). Similar effects are reported from Bolivia (Martinez, 2007), where a large percentage of beneficiaries of social pensions have invested part of their transfer in small-scale enterprises, livestock and productive assets to support their households. In that context, social transfers are a critical element for protecting the poor and vulnerable.

As regards transfer duration, there is no rule of thumb to guide policy, as the optimal length of assistance may be contingent on the targeted population and the socio economic context. Households facing extreme poverty are more likely to require a longer time window of support to tackle accumulated deficits in productive capacity and basic capability. Human development programmes in Latin America provide support to the poorest families for a period long enough to build human capital amongst beneficiary children. Progresa-Oportunidades, for example, makes payments in cash at distribution points every two months, and for periods that can last for several years until children graduate from high school. The timing of policy is also important here. Nutritional and health interventions in early life are significant determinants for improving the productive capacity of people in adulthood. This connects to the issue of breaking the intergenerational transmission mechanisms of persistent deprivation. The real value of transfers is important too, as inflationary pressures can erode the purchasing power of transfers and undermine their effectiveness.

**IMPACT EVALUATION OF PROGRESA-OPORTUNIDADES AND OTHER SOCIAL ASSISTANCE PROGRAMMES IN LATIN AMERICA**

The rigorous and independent evaluation protocol of Progresa-Oportunidades has been one of its hallmarks. It set a precedent in the general practice that characterised previous antipoverty policies in Mexico – and in most developing countries. Indeed, until the introduction of Progresa-Oportunidades, social spending was hardly ever subjected to rigorous evaluations, meaning that governments lacked reliable information to assess whether programmes worked and to take decisions to improve policy effectiveness.

The decision to incorporate an experimental design in the impact evaluation protocol – open to public scrutiny – also meant that impact results could be treated as reliable and detached from political manipulation. Indeed, impact studies played an important role in making the case to sustain Progresa-Oportunidades during the political transition of 2000. The evaluation protocol also set a precedent in Mexico to assess social policy, and prompted other countries to adopt similar impact evaluation policies.

In the remainder of this section, I discuss the impact evidence emerging from Progresa-Oportunidades and other social assistance programmes in Latin America. I look at to the effects on human capital and poverty as these are two key policy objectives. By and large, the focus is on quantitative studies, as their methodology facilitates a comparative discussion across countries and programmes.

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29 In 2003, Progresa-Oportunidades, together with a Bansefi (development bank) and a network of savings and credit cooperatives and microfinance institutions, began a programme to distribute payments through electronic accounts in nearly 1800 branches that the network has across the country. By 2010, half million households had received Oportunidades through debit cards.

Impacts on nutrition
Nutrition plays a central role in enhancing human development. A well-balanced diet is the foundation for a healthy life and a central input for labour productivity. Good nutrition is especially important for young children, as critical cognitive developments take place at an early age (See Alderman et al, 2006; Glewwe and King, 2001). Child (mal)nutrition is normally measured with the use of anthropometric data. Weight for age provides insights into the short-term impact of improved nutrition, whereas height for age provides information on the long-term effects of improved nutrition. Height for age is particularly informative as regards the longer-term impact of social transfers, as studies have consistently found that height deficits originating in early life are associated with limited cognitive development (Hoddinott and Kinsey, 2001), and low future earning capacity (Thomas and Strauss, 1997).

Evaluation studies of Mexico’s Programa de Asistencia Social (PROGRESA) find that two years after the start of the programmes children exposed to the programme gained one centimetre in height for age compared to a control group. The gain remained 0.65 cm six years after the start of the programme (Neufeld et al, 2005). In Ecuador, households receiving support from Bono de Desarrollo Humano had a 25 percent increase in food expenditure, which was linked to improvements in nutritional status (Ponce and Bedi, 2009). In Colombia, a substantial increase in intake of protein-rich foods and vegetables was reported as a result of participation in Familias en Acción (Attanasio, 2003). Changes in consumption especially benefited small children: 12-month-old boys grew 0.44 centimetres more than similar children who did not benefit from the transfers. Evidence on improvements in nutritional status as a result of transfer programmes is strong across different countries and throughout different types of programmes. Overall, studies confirm a direct link between social assistance and food consumption, where evidence is particularly strong in terms of improvements in child nutrition.

Impacts on health
By design, human development programmes in Latin America have the objective of improving the access to, and utilisation of, health services as a direct means to improve the health status of programme beneficiaries. Overall, programmes appear to have met their objectives. An evaluation of Colombia’s Familias en Acción reports a rise in the percentage of children under 24 months attending health care check-ups (Attanasio et al, 2005). Improved utilisation of health care facilities directly affects morbidity rates. The proportion of children affected by diarrhoea declined from 32 percent to 22 percent among children under 24 months, and from 21.3 percent to 10.4 percent among older children.

Similar improvements in health care utilisation have been reported from Mexico, Chile and Nicaragua. In Mexico, PROGRESA has been reported to have doubled the per capita health care visits in rural communities. A study of Chile Solidario reports that preventative health care amongst children living in rural areas improved in the order of a four to six percentage points (Galasso, 2006). In Nicaragua, Red de Protección Social was associated with an 18 percent increase in immunisation amongst children aged 12-23 months (Maluccio and Flores, 2004). In-time immunisations can play a significant role in reducing illness and premature deaths amongst toddlers. In Mexico, a study reports a 12 percent lower incidence of illness amongst children receiving support from PROGRESA vis-à-vis a corresponding control group (Skoufias, 2005).

Impacts on schooling
The design of PROGRESA has been shaped by the knowledge that reducing poverty requires effective policy instruments to improve schooling amongst the poor. Studies have found a strong correlation between the programme and several education-related outcomes, including higher school enrolment rates, less grade repetition, better grade progression, lower dropout rates, and higher school re-entry rates among dropouts. The impact was especially notable in rural areas, where the number of children entering the first grade of secondary school rose by 85 percent and second grade by 47 percent (Molyneux, 2007). Drop-out rates decreased by 24 percent, with a corresponding rise in completion rates
of 23 percent for rural secondary schools (Skoufias and di Maro, 2005). These results predict an increase in children’s future permanent earnings by about eight percent when they reach adulthood (see Freije et al, 2006).

In middle income countries, where enrolment in primary education is nearly universal, the impact of social assistance has been more significant on secondary education (see e.g. Attanasio et al, 2005; Cardoso and Portela Souza, 2003; Schady and Araujo, 2006). The extent to which these changes translate into improvements in knowledge and reduction in intergenerational transmissions of poverty is, however, more difficult to confirm at present. Schooling is a necessary, but not sufficient, condition to ensure that beneficiary children reach the labour markets with improved educational attainment levels. The quality of education and the functioning of domestic labour markets are also important.

**Impacts on poverty**

A key objective of social assistance in Latin America is to reduce poverty. There is a large literature assessing the poverty reduction effectiveness of these programmes. The findings from these studies cover social transfers of different typology and operating in different settings. In Mexico, an evaluation of Progresa-Oportunidades showed a small reduction in the poverty headcount ratio – in the order of ten percent after two years of programme implementation; however, a large reduction in the poverty gap and the squared poverty gap31 was reported with reductions in the order of 30 and 45 percent, respectively (Skoufias, 2005; Hoddinott et al, 2000). This is confirmed by more recent studies which find greater impacts on the poverty gap and poverty severity than on the headcount index (see e.g. Cortes et al, 2007). At the national level, the programme is reported to have reduced the level by about one percent in terms of the food-based poverty line, while in rural areas, the poverty impact has been between two to three times greater than that observed nationwide. Many other impact studies conducted in Latin America consistently confirm positive impacts of social assistance on poverty and food security.31

More recently, and amid the global financial crisis, some critics have questioned the effectiveness of Progresa-Oportunidades in addressing poverty. Between 2006 and 2008, the head count index that measures the food-based poverty incidence increased from 13.8 to 18.2 percent, where as the capability-based poverty incidence, which adds to the food-based basket other expenditure items such as health care, education, clothing, housing and public transport, increased from 20.7 to 25.1 percent. However, the setback in poverty reduction can be attributed to the level of systemic vulnerabilities that Mexico and other developing countries have faced against covariate shocks. In particular, the increase in international food prices, especially staples, that averaged 43 percent between March 2007 and March 2008 (FAO, 2008) caused an annual growth in the food basket values of about 18 percent in 2008. This had a significant negative income effect on households at the lowest income quintile. And with the global spread of the financial crisis, the net per capita income experienced a fall of nearly 13 percent between 2006 and 2008, with remittances and wages dropping by 29 and 26 percent, respectively (see Consejo Nacional de Evaluacion de la Politica de Desarrollo Social, 2009). These figures are likely to have only partially captured the full extent of the impact of the financial crisis, as GDP fell by 6 percent in 2009.

It is worth noting here that the income contribution of Progresa-Oportunidades to poor households increased by 20 percent, which reflects the direct public intervention introduced in 2008 to address food inse-

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31 The poverty gap measures the mean distance below the poverty line or income threshold that separates the poor from the non-poor, as a proportion of the poverty line, where the mean is taken over the entire population, counting the non-poor as having zero poverty gap. In order words, the poverty gap is an indicator of poverty intensity, reflecting the amount of income that would be needed to bring the poor above the poverty line, i.e. to eliminate poverty. Whilst the poverty gap measures the distance that separates the poor from the poverty line, the squared poverty gap measures the square of that distance and can be seen as an indicator of poverty severity. The squared poverty gap takes inequality amongst the poor into account by giving more weight to the poorest.

32 For the case of Brazil’s Bolsa Familia, see Lindert, K., e (2007); for a discussion on Ecuador’s Bono de Desarrollo Humano, see Ponce, J. (2008); for a study of Colombia’s Familias en Acción, see Attanasio, O. et al (2005); and for studies of social pensions in Chile, Argentina, Uruguay and Bolivia see Bertranou, F., et al. (2002).
curity in the country (Barrientos and Niño-Zarazúa, 2012). Moreover, it is estimated that in the absence of Progresa-Oportunidades and other social protection programmes in the country, the food-based head count index would have increased by 13.5 percent, which represents about 2.6 million additional people in extreme poverty, 2.2 million of which would have lived in rural areas and 0.4 million in urban areas (Consejo Nacional de Evaluación de la Política de Desarrollo Social, 2009). So although covariate shocks are at the root of the recent poverty increase in Mexico, poverty would have been much higher had Progresa-Oportunidades not been in place.

There is often an expectation that social transfers could have effects beyond the reduction of poverty and contribute to reducing income inequality. Transfer programmes in Sweden and other countries are generally referred to as having effectively contributed to reducing income inequalities. But it is often forgotten that the coverage and size of these programmes are of a different order of magnitude to the ones operating in Latin America and other developing countries. Moreover, the Gini coefficient of Scandinavian countries is significantly lower than in Latin American countries.

Nonetheless, and with a share of about 0.5 percent of Gross Domestic Product in Brazil and Mexico, social transfer programmes are reported to have contributed to a 21 percent in the reduction of income inequality, in relative terms (Soares et al, 2007). However, the distributional argument should not be mistaken. The contribution of these programmes to an absolute reduction in the aggregate Gini coefficient is marginal. This is simply because the lowest deciles of the income distribution receive a very small share of the aggregate income.

All in all, the brief review of impact studies presented above shows that social assistance makes a significant contribution to reducing poverty and facilitating human capital investment. The capacity of social assistance in improving well being outcomes is, nonetheless, heterogeneous across programmes, target groups and socio economic environments and it seems to be associated with design factors, programme objectives and institutional and financial consideration issues.

CONCLUSIONS

The analysis of Mexico’s Progresa-Oportunidades and other social assistance programmes in Latin America shows that these programmes are effective in addressing poverty and severe deficits in well being. They have led an important shift in antipoverty policy thinking, moving from food aid and subsidies to reliable and predictable forms of assistance. Important policy lessons can be drawn from the discussion presented above:

First, the emergence of social assistance reflects important advancements in the conventional wisdom on the causes of extreme poverty. Human development programmes have paid special attention to reducing extreme poverty and facilitating human capital investment. The latter is particularly relevant to tackling the intergenerational transmission mechanisms of persistent deprivation.

Second, design features have relied on strong theoretical principles underpinning programmes’ objectives. In particular, they justify the focus on the poor and the multidimensional approach to poverty. This is in clear contrast to food aid in-kind subsidies that dominated antipoverty interventions in the past.

Third, the success of Progresa-Oportunidades and other transfer programmes in Latin America must be understood in a broader context. For Mexico, the harsh economic and political environment that preceded the introduction of Progresa-Oportunidades, coupled with a rapid democratisation and increasing political competition, laid down the foundations for the introduction and then sustained expansion of the programme.

Fourth, well-designed systems of identification and selection of beneficiaries have set a precedent in several Latin American countries to prevent the discre-

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33 The Gini coefficient is a measure of income inequality. A Gini coefficient of zero expresses perfect equality, where everyone has an exactly equal income. A Gini coefficient of one expresses maximal inequality, where only one person has all the income.

34 In 2001, the Gini coefficients of Brazil, Mexico and Chile were 0.58, 0.51, and 0.55, respectively. In 2007, these figures had decreased to 0.55, 0.51, and 0.51 (World Bank, 2010).
tionary political manipulation that characterised past social policies. This has helped to generate political legitimacy and support across the political spectrum.

Fifth, limited financial resources also meant that the incumbent government had the political motivation to replace highly regressive and ineffective food and in-kind subsidies, and that political decision prevented the government from incurring additional costs when Progresa-Oportunidades was rolled out. Financing has emerged as a key constraint in extending social assistance in Latin America and developing countries as a whole. The fiscal space to sustain social assistance is conditional on the size of economy, the efficiency of tax collection systems and the scale and scope of the interventions. For most countries in Latin America, public spending on social assistance average one percent of GDP, although low-income countries face the greatest challenge to finance social assistance.

Finally, the inclusion of rigorous impact evaluation protocols has meant that governments can test and improve the programme’s effectiveness while strengthening its legitimacy across different political actors. Overall, the experience of Mexico’s Progresa-Oportunidades has shown that the interaction between government, research community, bilaterals and multilaterals is paramount to advance knowledge in the area of poverty in order to increase impact and improve policy and practice.
Social protection strengthens human rights

In recent years many development organisations have declared that their work must be permeated by a rights-based approach and seek to realise human rights. There are a number of close links between social protection, the rights-based approach and human rights. Social protection can be an effective means of realising fundamental human rights such as the right to food, water and health, and the rights-based approach can provide important guidance on how social protection should be designed and implemented. Access to social security is also itself a human right. In this article Sofia Nordenmark discusses the rights-based approach – what it means and the impact it has on the social protection debate.

According to the Policy for Global Development adopted by the Riksdag in 2003, every aspect of Sweden’s policy must be coherent and contribute to fair and sustainable global development. The policy is to be permeated by a human rights perspective and a perspective of poor people on development. The international work of the Church of Sweden must also be guided by a rights-based approach.

This rights-based approach grew out of the view that people have the right to assert their human rights and have them met and that every human being is equal in dignity and rights. This approach differs from needs-based aid in which the focus is on needs that have not been met and where the target group is the object of development. In that approach, the people for whom aid organisations are working are passive recipients rather than actors who decide for themselves how they want to shape their lives. Indirectly this ties in with the view that aid is charity and that people should be grateful for the “help” they are being given. Nor, in needs-based aid, do the aid organisations take a position on whether the state fulfils its obligations or not.

In rights-based work, the problems are analysed and defined taking human rights as the starting point. The fundamental causes of the problems are defined in terms of people not having had their rights met. Goals and results are also expressed in terms of human rights. Work using this approach is founded on six important principles:

- **Non-discrimination:** The focus is on the most disadvantaged and the work must directly combat discrimination. The basic reasons why people’s rights have not been met can be identified by analysing the power structures in society. A focus on power imbalances and non-discrimination means that work towards gender equality is also a central element in rights-based work.

- **Participation:** Participation must be incorporated as a basic component from the outset and this means that the most disadvantaged must themselves take part in analysing the fundamental causes of their problems. It is not enough for disadvantaged groups to be the target of various aid initiatives – they should also be involved in deciding how the initiatives should be designed, followed up and evaluated.

- **Empowerment:** One central principle is that people must have power and influence over their own lives. If people themselves are to be able to assert their rights, they must have the capacity to do so. Deep discrimination is often based on cultural and religious assumptions persuading those who are discriminated against that they are not as valuable or do not have the same rights as other people. Empowerment means people starting to trust in their own abilities, finding the courage to demand their rights and to participate in decision-making in all the areas that affect their lives.
ACCOUNTABILITY: In order for a rights-based approach to be effective, it must be possible to hold the duty bearers accountable. The state, which is the duty bearer, 35 must have a system in place which enables the rights bearers to hold the state accountable when these rights are not met. 36 This may be by requesting review by the courts or appealing against the decision of a government authority. In order for this to be possible, it is also essential that those who work in authorities are aware of the rights that people have and recognise these when exercising their authority and in their decision-making.

Development organisations are increasingly taking the view that their target groups must be able to hold them accountable. What did the development organisation promise to do? How are they carrying out their work? The Church of Sweden has recently been HAP certified 37, which makes it possible to hold the Church of Sweden accountable for its international operations.

TRANSPARENCY: One important prerequisite for accountability is that the work of the authorities is transparent. Rights bearers must be able to access information about their rights and the systems built up to protect human rights must be easy to understand. Transparency firstly enables rights bearers to become aware of their rights and secondly combats corruption. In practice it is here that the greatest challenges lie.

THE INTERNATIONAL HUMAN RIGHTS FRAMEWORK: The international framework forms the basis of rights-based work and it is here that the different rights are defined, as is the responsibility of the duty bearers. If people’s rights are also enshrined in national legislation, it is easier to demand accountability, and transparency often improves. States should not only recognise the human rights of their population by ratifying conventions on human rights, they should also legislate on rights in their own national legislation and clearly set out how they intend to work to fulfil the goals.

The international human rights framework

The UN General Declaration of Human Rights of 1948 is at the heart of the international human rights framework. In 1966 the declaration was followed by two legally binding conventions: the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights (ESC rights). These have since been followed by a number of other binding conventions, e.g. the Convention on the Rights of the Child and the Convention on the Elimination of All Forms of Discrimination against Women.

Compliance with the conventions and covenants is monitored by the countries that have ratified them regularly reporting on their work to implement them, reports that are then examined by special committees or ‘treaty bodies’. The international framework also includes interpretations (‘General Comments’ or ‘General Recommendations’) from various UN treaty bodies which provide more detailed guidance on what the rights mean and what the states must do to comply with them.

Human rights are indivisible, interdependent and interrelated. It is not possible to separate civil and political rights from economic, social and cultural rights; they interact and support each other. If one right is removed, it is hard to exercise others, and several rights incorporate and affect other rights. The principle that human rights are indivisible, interdependent and interrelated was confirmed at the World Conference on Human Rights in Vienna in 1993.

The rights-based work of the Church of Sweden

The Church of Sweden’s undertaking that all international work must be guided by a rights-based approach rests on a long history of church involvement in human rights. The World Council of Churches was originally involved in drawing up the UN’s Universal Declaration of Human Rights and has since continued to drive development in a number of areas.

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35 The fact that people have rights also means that there is someone who is obliged to fulfil these rights: a duty bearer. The primary duty bearer is the state in the country in which the people are located. However, all actors who affect people’s rights have a duty to respect these.

36 All people are rights bearers and are entitled to have their right to food or health met, for example.

37 The Humanitarian Accountability Partnership (HAP) seeks to make humanitarian action accountable to its beneficiaries. HAP initially only covered humanitarian aid but today is also able to certify long-term development work.
The rights-based work of the Church of Sweden is constantly carried out and developed together with partners. As an actor in development cooperation the Church of Sweden also sees itself as a duty bearer. This means that the Church of Sweden considers itself duty bound to respect human rights in its own work.

In advocacy work the rights-based approach means that we work to promote human rights and demand that states respect and comply with them. We are working to influence the states where we, together with our partners, run our operations. At the same time we require that the Government of Sweden raises these issues in its discussions with countries in which these rights are infringed. We also strive to ensure that all the work Sweden does applies a rights-based approach and respects human rights.

As part of the work to eradicate hunger and poverty, in recent years the Church of Sweden, together with international eccumenical organisations, has particularly highlighted the right to water and the right to food.

**Box 1. The right to adequate food**

The right to food means everyone has the right to regular, adequate access to food that is nutritious and culturally acceptable and which contributes towards an active, healthy life. It signifies the right to be able to work for one’s food with dignity rather than receiving food hand-outs. The right to food is closely linked to the right to life and the things we assume to be essential for attaining an “adequate standard of living”.

The right to food means that states have an obligation to:

- **respect** the right to food by not implementing measures that mean that people lose their livelihood and their access to adequate food.

- **protect** the right to food by ensuring that third parties do not prevent or jeopardise the livelihood of people and their access to adequate food.

- **fulfil** the right to food by actively facilitating people’s efforts to earn a living and thus to have access to adequate food and, in cases of extreme need, by meeting people’s needs directly (e.g. through social transfers).

Today 24 countries have the right to food enshrined in national law, and consequently in many cases local organisations have been able to force authorities to take active measures, e.g. introducing free school meals.

*The right to food is laid down in the UN Declaration of Human Rights (Article 25.1) and the Covenant on Economic, Social and Cultural Rights (Article 11) and has been interpreted in General Comment No. 12 of the Committee on Economic, Social and Cultural Rights. Voluntary Guidelines on the right to food were adopted in 2004.*
It is natural for the Church of Sweden to be active on these issues. The work of the church is based on a faith and a theological tradition that says that we must safeguard the inalienable worth of every human being. The task of the church is to convey God’s love and therefore to urge society and us ourselves to intervene whenever human dignity is violated. The church’s prophetic voice must speak of love as well as responsibility.

**SOCIAL PROTECTION AS A MEANS OF REALISING RIGHTS**

As other contributions in this anthology demonstrate, evaluations of the social transfers introduced in recent years, particularly in Latin America but also in Asia and Africa, show that the lives of disadvantaged groups of the populations have been tangibly improved.

Children in families that receive cash grants gain weight and grow taller, have higher school attendance rates and are healthier. The adults can use the money to provide basic security, enabling them to seek a job or to be less dependent on the children contributing towards the family finances, for example.

This means that social protection can help to fulfil several fundamental human rights, such as the right to food, health and education. However, while social transfers can contribute towards a number of positive effects, they naturally cannot guarantee that rights will be fulfilled. That is impossible without, for example, basic health and education systems without which there is a risk that the effects in the form of increases in weight and height, higher school attendance, etc. will fail to materialise.

**Box 2. The right to water and sanitation**

The right to water and sanitation is part of every individual’s right to an adequate standard of living under the Covenant on Economic, Social and Cultural Rights. The right to water has recently been given the same status in the UN system as the right to adequate food, for example, with the appointment of a special rapporteur. The special rapporteur on the right to safe drinking water and sanitation is tasked with reporting to the UN Human Rights Council on work to introduce the right in member countries. For several years the Church of Sweden has been urging Sweden to recognise the right to water and to support the proposal to establish a special rapporteur.

*The right to water has been interpreted by the Committee on Economic, Social and Cultural Rights in General Comment No. 15.*

**Box 3. HIV, the right to adequate food and social protection**

The HIV epidemic clearly illustrates how several different rights are interrelated and how social protection can help to fulfil several rights – in this case the right to health and the right to adequate food. The HIV epidemic in southern Africa is leading to chronic food shortages and deepening poverty at household and societal levels. AIDS leads to income losses and households are affected particularly seriously if the person who develops the disease is a woman. AIDS also causes major expenses for medicine, care and funeral costs. Lack of food security is particularly serious for those who are HIV positive because people who are malnourished develop AIDS more quickly and people being treated with anti-retroviral drugs need secure access to food for the treatment to work properly. Quite simply, a vicious circle of food shortage, malnutrition and AIDS is created.
Social protection can play an important role in giving people living with HIV the chance to buy better food that improves their health. It also enables them to reach the locations where health care is available, in order to follow their treatment programme (see also the Haarmanns’ article on Namibia).

It should, however, be emphasised that social protection can never be a solution to HIV. The situation and rights of women must be strengthened if we are to tackle the fundamental causes of the spread of the disease. There is a recognised link between women’s financial dependence on men and their vulnerability to HIV. Far too often women lack the power to determine their sexual relationships. This means that they are forced into sexually risky behaviours e.g. when they are not able to insist on the use of a condom or other contraception or to say no to sexual intercourse. Much of the work to prevent HIV involves empowering women financially and socially. A change in their economic and social power can lead to them also taking power over their own bodies and deciding what sort of sexual relationships they want.


THE RIGHT TO SOCIAL PROTECTION IN INTERNATIONAL LAW

Social protection thus contributes towards the realisation of a number of human rights. But social protection is also itself a human right. This is laid down in the UN’s Universal Declaration of Human Rights and in the International Covenant on Economic, Social and Cultural Rights (ICESCR). Under the ICESCR, social security (social protection) encompasses social transfers such as child allowance, family allowance and social pensions (the focus of this anthology) and contribution-based social insurance such as sickness compensation, unemployment benefit, occupational pension and veterans’ pensions.

Social protection has been an important issue for the UN body the International Labour Organisation (ILO) since the organisation was founded in 1919. ILO Convention 102 of 1952 sets out minimum standards for social security. In the Declaration on Social Justice for a Fair Globalisation of 2008 the ILO promises to continue urging all states to ensure that everyone has the right to social security and that everyone in need has the right to a basic income (ILO, 2008).

Social security systems contribute not only to human security, dignity, equity and social justice, but also provide a foundation for political inclusion, empowerment and the development of democracy. (Juan Somavia, ILO Director-General, 2003)

Other bodies in the UN system have also been committed to raising the issue of social security as part of their work on promoting human rights. 2009 saw the launch of the Social Protection Floor Initiative by the ILO, the World Health Organisation (WHO), other UN bodies and the World Bank. Its purpose is to build up a coalition of international organisations and aid donors capable of supporting countries in their work to establish social transfer systems and social services. The countries that participate in this collaboration are encouraged to build up a minimum package of social protection encompassing old age pensions, child benefit, public work programmes and basic healthcare. In June 2012, the International Labour Conference of ILO adopted a Recommendation concerning National floors of social protection.

“Everyone, as a member of society, has the right to social security and is entitled to realization, through national effort and international co-operation and in accordance with the organization and resources of each State, of the economic, social and cultural rights indispensable
for his dignity and the free development of his personality.”

*The Universal Declaration of Human Rights (Article 22)*

“The States Parties to the present Covenant recognize the right of everyone to social security, including social insurance.”

*International Covenant on Economic, Social and Cultural Rights (Article 9)*

The UN’s interpretation of the right to social security

Despite the fact that they constitute part of the human rights framework, economic, social and cultural rights have not been as equally accepted as civil and political rights. States have claimed that they do not have the resources to fulfil these rights. In its general comments the Committee on Economic, Social and Cultural Rights (CESCR) has interpreted different economic, social and cultural rights and highlighted the basic elements of the states’ obligations. General comment no. 19 concerns the right to social security.

States have an obligation to realise economic, social and cultural rights, but how is a poor country to do so? Must Mali give its population social benefits at the same level as Sweden does? How can a poor country like Mali, with its limited resources, manage to do this? Part of the answer is that economic, social and cultural rights are to be met progressively. This means that it is required that states gradually realise these rights by using their available resources to the maximum possible effect.

“The obligation ‘to achieve progressively the full realization of the rights’ requires States Parties to move as expeditiously as possible towards the realization of the rights. Under no circumstances shall this be interpreted as implying for States the right to defer indefinitely efforts to ensure full realization. On the contrary all States Parties have the obligation to begin immediately to take steps to fulfil their obligations under the Covenant.”

*Limburg Principles (Article 21)*

The extensive comment of the CESCR sets out in detail how states should work to realise the right to social security. The Committee follows the same principles that they have stated are to apply to all ESC rights:

- They set out certain fundamental requirements – economic, social and cultural rights – which must be met immediately. Even countries with limited resources must guarantee a certain minimum level that states must respect. The core obligations that states must respect concern: e.g. the right to life, food and health and a guarantee that no-one in their territory will starve.

- The principle of non-discrimination applies immediately; a state may never discriminate. This means that the most disadvantaged must be identified, and that the state must ensure that existing or planned systems do not lead to discrimination and that special attention is paid to particularly disadvantaged groups.

Accessibility is a principle that applies to all ESC rights. For a state to fulfil the right to social security, the social security that the state offers must encompass everyone, including groups that are not themselves able to fund it through contributions. Social security must be offered to all groups without discrimination.

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38 The Limburg Principles were drawn up by a group of experts in international law, and describe the content of the states’ obligations under the International Covenant on Economic, Social and Cultural Rights. Article 2 of the Covenant sets out a requirement on the progressive realisation of the rights in the Covenant. The guidelines adopted as a consequence of the Limburg Principles in 1997 (“the Maastricht Guidelines”) emphasise that the burden is on the state to demonstrate that it is making measurable progress toward the full realisation of the rights in question.
The comment states that benefits should be provided in a timely manner and be easily accessible. It must be easy to access the system and to pay contributions to income-based systems.

The CESCR also states in its comment that social security systems must be adequate. This means that social security must help to uphold human dignity. It must be sufficiently high and paid out for a sufficiently long period to guarantee an adequate standard of living. Once a state has introduced an economic, social or cultural right, this may not be withdrawn. If necessary, a state may seek international cooperation in order to fulfil the right to social security.

**International collaboration**

For a state to be able to claim that it cannot afford to introduce a minimum level of social protection, it must show that it has taken every possible measure and has used all its available resources to meet these minimum obligations as quickly as possible. If a state is unable to fulfil the minimum level itself, it should seek help through international development cooperation.

The CESCR points out that all states have a responsibility for ensuring that human rights are respected and fulfilled the world over. Under the Covenant on Economic, Social and Cultural Rights, states must work together internationally. In addition to their national responsibility, all states also have an international responsibility to ensure that the rights in the Covenant are fulfilled. States that have sufficient resources should assist those that do not have enough resources to fulfil the right to social security. This may be by means of financial support or through technical assistance, in other words a country may share its own experiences of introducing or expanding social protection.

All states should also ensure that sufficient attention is paid to the right to social security in international agreements.

**A RIGHTS-BASED APPROACH TO DESIGNING SOCIAL PROTECTION**

Each state must decide for itself, together with its population, the form its social protection system is to take, considering the country’s political and economic situation. The UN’s interpretation of the right to social security and the principles of the rights-based approach can, however, provide good guidance in designing such systems.

Human rights are founded on respect for human dignity. The most fundamental requirement of social transfers is therefore that they help to uphold human dignity. The systems may not further stigmatise disadvantaged and poor people. Nor may they be introduced in such a way as to risk impeding people’s opportunities to support themselves.

**Conditional or unconditional?**

Social transfers can either be unconditional or conditional, i.e. require certain behaviour on the part of the recipient. In Latin America in particular, benefits are often conditional, e.g. on parents vaccinating their children or sending them to school.

From a rights-based approach the answer is a simple one: social transfers should always be unconditional. The human right to a minimum income is unconditional; fulfilling rights must not be conditional upon the behaviour of the recipient. The fact that setting conditions is problematic becomes clear if we ask ourselves what happens if the intended recipient fails to meet the conditions. Will they then be excluded from the system? Does this risk leading to prohibited discrimination? What impact does this have on children’s rights? While it is true that school attendance, vaccination and healthcare further children’s rights, removing cash benefits from the family hits children hard.

**Means-tested or universal benefits?**

Social transfer systems may either be means-tested or universal, i.e. given to the whole population or to particular population categories (e.g. all children or all elderly people). Means-tested benefits are more complicated to administer because they require methods in place to select who is to receive the benefit, which also makes them more expensive to administer. On the other hand, the total cost of means-tested benefits is generally much lower because fewer people are eligible for them.

Means-testing may be compatible with the rights-based approach provided that the criteria governing who is entitled to benefits are not discriminatory. However, this does run the risk of excluding people who are actually entitled to benefits. The selection criteria must therefore be clear, simple and openly accessible, and it must be possible to have a negative de-
cision overturned. Simple systems also reduce the risk of corruption. If people themselves can easily find out whether they have the right to a certain benefit, this reduces the risk of representatives of local authorities manipulating payments.

Means-tested systems not only tend to be more complicated, they can also give rise to social conflict. This is also true of systems where the local societies themselves have to identify those who are the most disadvantaged and in need of support. This can lead to conflicts in terms of who is selected to receive support and questions being asked as to why others do not receive it. In the pilot project carried out in Namibia (see the Haarmanns’ article) the fact that everyone received the cash grant helped to strengthen relationships within the community and to improve local cooperation.

**Participation**

The design of social protection systems and, not least, the amounts paid out are vital to a large proportion of the population. These are therefore often central questions in a country’s political debate and popular participation in the design of social protection systems is thus crucial.

Those countries that do not yet have any national social protection system, or only a limited one, should involve their populations from the beginning when planning the development or expansion of such a system. The CESCR points out that participatory processes are particularly relevant if the state has insufficient resources to meet the minimum requirements for social security systems. In such cases the population should be given the opportunity to influence what the system is to cover during an initial phase through consultation at different levels. Irrespective of the traditional decision-making process, women and men must be included. It is important to guarantee the participation of all the particularly disadvantaged groups that are often excluded from traditional decision-making forums.

It can also be valuable to involve civil society organisations in such consultations, as these often have experience of working directly with disadvantaged groups. In several countries civil society organisations have implemented pilot schemes for social transfers, which provide useful experiences.

Participation should not only inform the planning process but should also characterise implementation and follow-up. According to the CESCR the state itself must continuously monitor progress in fulfilling the right to social security. In this monitoring, which may take the form of evaluations, the beneficiaries may play a role, as may civil society organisations. Their opinions on how the system works may be important for continuing to develop and improve it in various ways.

**Demanding accountability and transparency**

All rights must be possible to assert. Where social protection systems are concerned, individuals must be able to appeal against decisions concerning social security. Case law in this area has been driven forward by cases at national level and in regional human rights forums, where individuals have appealed after failing to be given access to a social right, e.g. because they or a relative have HIV or AIDS.

Even if a system is private, there must be an opportunity to appeal, e.g. if an individual has been denied the right to participate in a contributions-based system.

Accountability also relates to issues of transparency. A social protection system must be simple, comprehensible and easy for people to understand. The rules must be simple enough that people are able to tell whether they are entitled to different types of benefits. It must also be possible to obtain information on how the money is allocated within the system and whether certain groups of the population benefit.

Social protection systems must be reliable. In order to plan their finances, the rights holders must be able to rely on the payments being made on time. They must also know that the rules are followed and that they cannot be arbitrarily excluded from the system from one day to the next.

**Non-discrimination**

Non-discrimination is a central criterion in the design of social protection systems. They must cover the population in rural areas and in cities. They must cover men and women and all the ethnic groups found in the country in question. The systems must also cover people with disabilities, migrants and people with AIDS, to mention some additional groups that risk being discriminated against.
There must also be an opportunity for everyone to gain access to such systems, even if they do not have a formal job or live in a rural area. One crucial problem of the social protection systems that exist in many developing countries today is that they involve social insurance which is contribution-based and as a rule only covers those in formal employment. This often means that large groups of the population are excluded.

Despite the fact that social security is a human right, only a minority of the global population has access to any social protection whatsoever. In total it is estimated that only approximately 20 percent of the world’s population of working age (and their families) have effective access to comprehensive social security (ILO, 2010). There are many low and medium-income countries in particular where social protection systems are limited or entirely lacking.

It is often the rural populations, women and indigenous populations who support themselves through the informal sector that are excluded. In rural areas there is also limited access to basic healthcare. Even when they are formally included, indigenous populations may be excluded in practice if the systems fail to take into account their traditions and customs. Indigenous populations who live in traditional societies, may, for example, be excluded from receiving payments if these are made at formal payment points such as banks or the offices of public authorities. The way in which the payments are made may also be discriminatory.

**Empowerment**

Seeking to improve people’s opportunities to demand their rights – strengthen their empowerment – is one important aspect of rights-based work. This involves people being aware of their rights and having the self-confidence and the courage to make their voices heard in society so as to assert these rights.

The evaluations described elsewhere in this anthology indicate that social transfers have a direct effect on the empowerment of the poor. Cash grants seem to give poor people a platform for starting to take control over their own lives. They are better able to plan from one month to the next; they know that they can pay for their children’s education, they can meet certain healthcare costs or attend health clinics. They can afford to take the bus to sell goods, look for work or do other things that allow them to take control of the development of their own lives and the lives of their families. While it is true that there is more to empowerment than cash grants, they can form part of a strategy for increasing the opportunities of poor people to steer their own lives.

One important prerequisite if cash grants and other social rights are to contribute towards increased empowerment is that they are seen as rights and not as hand-outs or gifts from charitable politicians or officials.

**CONCLUDING COMMENTS**

Social protection systems in themselves constitute an expression of the rights-based approach in the sense that they are founded on the assumption that everyone in a particular country has the right to financial support to maintain a basic standard of living when they are otherwise unable to support themselves. The principles that have been developed for rights-based work can at the same time help to ensure that social protection systems are well designed.

We have seen that social transfers can have many positive effects and help to fulfil several different fundamental rights. However, it should be emphasised that the transfers are not sufficient as isolated measures. It is not enough solely to give families cash benefits – they must also receive access to healthcare and education and have the ability to support themselves. This is also clearly shown by defining the right to social security: a comprehensive system able to cover different risks at different stages of people’s lives. Even if developing countries with limited resources are unable to introduce a complete system immediately, they must meet the minimum requirements and constantly expand the system in place in line with their available resources and in cooperation with other states.
Women are disproportionately represented in low-wage, low-skilled and casual labour, and they are less likely to have control over income and assets. They have little decision-making power in families, and less access to basic services such as health and education. Social protection that seeks to support the poorest and most vulnerable people has the potential to particularly benefit women and address some of these persistent inequalities. Whether it does so in practice is not necessarily a given, say researchers Rebecca Holmes and Nicola Jones. If social protection is not designed with gender in mind, an opportunity to change the situation of women in a more radical way may be missed. At best, this results in sub-optimal programme outcomes, at worst, it may result in reinforcing and exacerbating women’s subordinate position.

Despite decades of evidence on the pervasiveness of gender inequality and the knowledge that women’s empowerment and gender equality contributes to social and economic development goals, all too often poverty reduction programmes fail to adequately integrate gender equality goals in programme design and implementation. Social protection has been no exception.

While social protection mechanisms have become an increasingly popular response to poverty and vulnerability in recent years, reaching millions of poor and near poor households, the extent to which gender has been integrated into social protection approaches has been uneven at best. To date many programme approaches have assumed that targeting women addresses gender inequality and while this is an important first step, the role that gender plays in social protection is more complex. Promoting gender equality and women’s empowerment has often been relegated to secondary or indirect programme objectives. Moreover, there is an assumption that transferring economic resources to women (often small scale) will automatically transform gender relations in the household and beyond.

However, in practice, social protection has generally served to reinforce women’s traditional roles and responsibilities. Few programmes have harnessed the potential for a transformation of gender relations in the household and community in both economic (e.g. opportunities for work) and social (e.g. voice and agency) spheres which would improve the effectiveness of programme objectives: reducing poverty and vulnerability.

In this chapter we discuss a “transformative” social protection conceptual framework which emphasises the importance of understanding and addressing both economic and social risks – and their intersection – in social protection poverty reduction approaches. We draw on empirical evidence from a mixed methods multi-country research study in Africa, Asia and Latin America undertaken in 2009-2010 which assessed the extent to which gender has been incorporated into the design and implementation of a wide range of social protection instruments (see Table 1).
CONCEPTUAL FRAMEWORK: A TRANSFORMATIVE APPROACH TO SOCIAL PROTECTION

Despite its name, social protection has to date focused predominantly on addressing economic risk and vulnerability, such as income and consumption shocks and stresses as a result of, for example, environmental disasters, food price spikes or the global financial crisis. Approaches have generally paid only limited attention to social risks, such as gender inequality, social discrimination, unequal distribution of resources and power at the intra-household level and limited citizenship (Holmes and Jones, 2009). However, these factors are often as important in pushing and trapping households in poverty (CPRC, 2008).

Devereux and Sabates-Wheeler’s (2004) transformative social protection conceptual framework argues that, in addition to being protective (providing relief), preventive (averting deprivation) and/or promotive (enhancing incomes and capabilities), social protection interventions may be transformative. Transformative objectives aim to address concerns of social equity and exclusion which often underpin people’s experiences of chronic poverty and vulnerability.

This ‘political’ or ‘transformative’ view extends social protection to arenas such as equity, empowerment and economic, social and cultural rights, rather than confining its scope to economic risks (which translates into narrow responses based on targeted income and consumption transfers). The critical features of this conceptual framework include a recognition that economic and social risks are intertwined and often mutually reinforcing, and of the need to address the structural causes of poverty, including power relations, in order to provide a sustainable exit strategy from poverty.

Our analysis takes as its starting point that economic and social risks are gendered: men and women not only are affected differently by the same risks, but also can face different types of risks. In Ethiopia, for example, female-headed households are more vulnerable to household-level shocks such as illness, death of household member, drought, flood, price shocks, job loss, loss or death of livestock than male-headed households (54 percent compared with 48 percent for male-headed households). From the macro through to the micro level these risks can be reinforced or mediated through: policy interventions; discriminatory practices embedded in institutions; and/or community, household and individual capacity and agency. Opportunities to enhance gender equality at each level are highly context-specific and depend on the bal-

### Table 1: Case study social protection programmes

<table>
<thead>
<tr>
<th>Type of social assistance</th>
<th>Description</th>
<th>Example</th>
<th>Coverage (latest figures as of 2009–2010)</th>
</tr>
</thead>
</table>
| Cash transfers           | Conditional and non-conditional regular cash payments to poor households, often caregivers. | - Ghana’s LEAP quasi-conditional CT  
- Peru’s Juntos CCT | 131,000 households (hhs)  
431,974 hhs |
| Asset transfers          | Transfers of productive assets (e.g. small livestock) to support income generation activities of poor households | - Bangladesh’s Challenging the Frontiers of Poverty Reduction | 272,000 women |
| Public works programmes  | Provision of cash or food payments in return for labour to build community assets, typically physical infrastructure. | - India’s National Rural Employment Guarantee Scheme  
- Ethiopia’s Productive Safety Net Programme | 45 million hhs  
Over 7 million individuals |
| Subsidies                | Subsidised or free services (e.g. health, education, legal aid, agricultural extension) and/or food (e.g. rice rations) | - Vietnam’s National Targeted Programme for Poverty Reduction  
- Indonesia’s Raskin Rice Subsidy Programme  
- Mexico’s community child crèche system, Estancias | Up to 1.3 million hhs  
15.8 million hhs  
250,000 parents |
ance between governmental, non-governmental and informal mechanisms within a country, as well as the profile of the government agencies responsible for the design and implementation of formal mechanisms (see Holmes and Jones, 2009).

Existing social protection initiatives in low- and middle-income contexts have addressed gendered risks to varying degrees, mainly through targeting women. In general, however, social protection mechanisms are too often informed by uneven and narrow understandings of gender relations. As we argue in this chapter, the role that gender plays in the effectiveness of social protection policy and practice not only influences the type of risk tackled, but also shapes programme delivery and impacts at community and household levels.

OVERVIEW OF GENDERED POVERTY AND VULNERABILITY

To assess the extent to which social protection policies and programmes are addressing gender-specific experiences of poverty and vulnerability, it is critical to understand the gendered patterning of vulnerabilities in different contexts (see Table 2 and 3).

Table 2: Gendered economic risks and vulnerabilities

<table>
<thead>
<tr>
<th>Gender-specific manifestation</th>
<th>Empirical examples from our case study countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Disproportionate numbers of women working in the informal sector</td>
<td>At a national level, women in India are less than half as likely as men to be employed: women only represent 19.3 percent of the total workforce. They are also less likely than men to receive cash wages or any form of compensation. When they do receive wages they are unequal.</td>
</tr>
<tr>
<td>- In some contexts in the case of economic crises, women are the first to lose their jobs; in other cases men may face higher unemployment as women are more likely to ‘accept’ lower salaries because women work ‘just to complement’ men’s income</td>
<td>In the case of poor households in Mexico, the monetary income of female household heads is only 57 percent of that of male-headed households</td>
</tr>
<tr>
<td>- Lower income in household can result in malnutrition and women and girls eating less, and reduction in use of health care services and children’s education</td>
<td>There are major gender biases in terms of access to agricultural extension services and inputs in Ethiopia. 28 percent of women reported weekly visits by development agents, while one-third had never been visited, compared with 50 percent and 11 percent of men, respectively. A benefit incidence analysis found that expenditure on men was up to three times higher than that on women in some regions.</td>
</tr>
<tr>
<td>- Negative and corrosive coping strategies (limited positive opportunities especially because lack of ownership and control over productive assets) such as trafficking and sexual exploitation (especially women and girls), child labour (especially boys)</td>
<td></td>
</tr>
<tr>
<td>- Domestic responsibilities increase for girls in response to mothers’ increased paid work responsibilities</td>
<td></td>
</tr>
</tbody>
</table>

source: Amuzu et al., 2010; Arif et al., 2010; Holmes et al., 2010a and 2010b; Jones and Tran, 2010; Jones et al., 2010; Pereznieto and Campos, 2010; Vargas, 2010.
Women’s employment options also tend to be more insecure, and even in households which rely on remittances from their grown children, there is a general awareness that remittance payments from daughters tend to be less reliable:

That job [in a garment factory] has no future; she could lose that job anytime. If we could ensure better education, my daughter could get a better job. She is earning little. (Elderly woman, Magura, Bangladesh).

Environment-related shocks also play a major role in perpetuating economic vulnerability. Common problems include droughts, floods, pollution, deforestation, plant diseases and pests, as well as death of livestock. A number of families in Ethiopia, for example, report being able to eat only once a day or consuming leaves during the lean season. Women usually have to make the greatest sacrifices in terms of reduced quantity and quality of food consumption.

Ill-health is also a significant risk. Sickness or death of a family member is often reported as one of the most important risks a poor family faces. Families reported frequently being compelled to sell household assets (e.g. small livestock) or to take on extra paid work to cover health expenses (both medical fees and related transportation costs, especially to access main hospitals in urban centres for treatment of serious illnesses), because of a lack of health insurance or other means to finance healthcare. While men and women alike highlight ill-health as a key concern, the burden of ill-health often appears to be disproportionately shouldered by women:

Women get sicker ... They are responsible for household chores and take care of lots of things. Husbands and children get food first when supplies are limited – wives don’t eat if the husband is uncaring and he doesn’t share what he is eating. (Married woman, Shibhta, Ethiopia)

Expenses related to lifecycle events such as funerals and weddings are another key source of vulnerability. In Ghana, for instance, Kokomba communities identified significant outlays for funerals and also for gifts from mothers to daughters on the occasion of the birth of their first child. In Bangladesh and India, dowry payments, especially among Hindu households, represent a major challenge and many poor households often have to start saving from when their daughters are young as well as to rely on support from neighbours and family members. While the government in Bangladesh has established initiatives to stop dowry practices, such practices are deeply engrained in society and the initiatives have been largely unsuccessful, with devastating consequences for some households as a single mother explains:

I had to spend all I had in hand for my daughter’s marriage, and now I am penniless. I provided gold, ten thousand taka, clothes and feast for the guests. (Single woman, Magura, Bangladesh)

Social vulnerabilities
Social risks are often just as or more important than economic sources of vulnerability, particularly for women. At the intra-household level, women’s time poverty is a significant concern. In Indonesia, for instance, although 85 percent of women respondents in Tapanuli Tengah reported economic activities as their main daily activity, traditional gender norms dictate that household chores and child care are women’s responsibility, meaning that most women are shouldering a double burden of productive and care work, with only minimal support from their male partners on domestic matters.

Intra-household tensions regarding control over resources, including land and food, as well as decision-making around mobility and participation in activities outside the home is another critical social vulnerability. In many cases, decision-making power
promoting gender equality in social protection

is concentrated in a husband's hands as this young Vietnamese woman’s reflection highlights:

Husbands are the ones who take care of great matters [such as loans], so I can't say much ... He didn’t tell me anything about the loan. He thinks a wife knows nothing. ... I was too afraid to ask him. (Married woman, Coc Cot, Viet Nam, 19 years, 2009)

And in a number of cases male decision-making power is often reinforced by physical violence and the acceptance thereof by family and/or community members:

We were not living well; we were always fighting... Once when he hit me very hard I went to my parents’ home to stay but my godparents came and made me come back ... (Married female, 24, Motoy, Peru)

While intra-household tensions between husbands and wives can be difficult, the risk of abandonment by a male partner is also very serious, because of the highly vulnerable economic and social position in which it leaves single women. Male abandonment – be it real or resulting from an effective absence owing to problems such as alcoholism – generally leads to women assuming full responsibility for children and reflects women’s very limited control over their reproductive life.

It is sad that my daughter is a single mother, the man has forgotten his children, this is why my daughter is sick and cannot work well ... Men deceive and leave young women, they don’t take them seriously... (Mother of single mother, 88, Liriopata, Peru)

<table>
<thead>
<tr>
<th>Gender-specific manifestation</th>
<th>Empirical examples from our case study countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Gender-based family and school/community violence</td>
<td>In some communities in Ghana girls are raised by their paternal aunts but in reality this often translates into their deployment as domestic workers.</td>
</tr>
<tr>
<td>• Greater responsibility for care work discrimination</td>
<td>In <strong>Mexico</strong> 67 out of every 100 women 15 years or older have been victims of at least one type of violence. Violence is higher in urban areas against women with lower level of schooling.</td>
</tr>
<tr>
<td>• Unequal allocation of food within the household along gender and generational lines</td>
<td>A WHO multi-country study showed that <strong>Ethiopia</strong> had the highest percentage of physical assaults of all 22 countries surveyed across the world, with 49 percent of women having experienced physical assaults by an intimate male partner.</td>
</tr>
<tr>
<td>• Lack of access to income and control over productive assets; limited decision-making at household, community and national level</td>
<td>In <strong>Peru</strong> between January 2004 and July 2007, at least 403 women were killed by their partner or ex-partner (an average of nine women a month), and 44 percent of murders occurred in the victim’s house. UNICEF also estimates that 6 of every 10 pregnancies in girls between 11 and 14 years old result from incest or rape. According to the Truth and Reconciliation Commission, 98 percent of victims of sexual violence during the internal conflict in the 1980s were women.</td>
</tr>
<tr>
<td>• Less opportunities to access education and other capacity building opportunities</td>
<td>Women in <strong>Viet Nam</strong> spend a disproportionate amount of time on household work compared to their male counterparts (an average of 7.5 hours compared to 30 minutes in rural areas, and 6 hours compared to 90 minutes in urban areas).</td>
</tr>
<tr>
<td>• Social norms which restrict mobility and in turn access to employment and social networking opportunities</td>
<td>In many parts of <strong>India</strong>, purdah (practice of separating women from men) is practiced which limits women's mobility, access to health services and ability to engage in market activities. Just under half of married women are allowed to go the market on their own and forty percent are allowed to go with someone else. 15 percent are not allowed to go at all.</td>
</tr>
</tbody>
</table>
| • Gender-based violence in the context of political conflict or war; single parenthood or widowhood as men join fighting forces or are killed in fighting | **Source**: Amuzu et al., 2010; Arif et al., 2010; Holmes et al., 2010a and 2010b; Jones and Tran, 2010; Jones et al., 2010; Pereznieto and Campos, 2010; Vargas, 2010.
It can also mean that women suffer from household labour shortages, limiting their livelihood options. As one elderly Ghanaian man explained:

*Ah do women have any role on the farm? Women can help harvest and sow but that is it. They have their own food plots but... they depend on men for their sustenance.* (Elderly married man, Gushiegu, Ghana)

**INTEGRATION OF GENDER EQUALITY GOALS IN SOCIAL PROTECTION DESIGN**

The extent to which gender inequality as a factor of poverty and vulnerability has influenced the design of social protection policies and programmes varies significantly across countries, but has remained generally limited in scope. Two important exceptions include Mexico’s subsidised crèche scheme, *Estancias*, which aims to directly increase women’s participation in the paid workforce by supporting their care work responsibilities, and Bangladesh’s asset transfer programme, Challenging the Frontiers of Poverty Reduction, which aims to promote women’s economic and social empowerment: “The status of poor rural women can thus be improved by creating entrepreneurial ability among them, one of the key means of graduating the ultra poor in CFPR programme. However, this can only be achieved if their ability to make decisions in the household is increased, if they are more able to move and communicate in the public domain and have increased knowledge and skills to reduce their vulnerability” (BRAC, 2009: 4).

Reinforcing or changing women’s roles

None of the other programmes under consideration, however, have explicitly or systematically integrated women’s empowerment or the transformation of gender relations more broadly as a primary programme goal. In some cases the only consideration of gender has been the inclusion of women as a target beneficiary group, and in others gender has been ignored altogether. Such sidelining of gender equality goals has resulted in a narrow conceptualisation of gendered vulnerabilities and a focus on supporting women’s care and domestic roles and responsibilities in the household (e.g. as household managers in receipt of cash or in-kind transfers) and/or limiting women’s economic participation in sectors with low growth and remuneration potential, rather than challenging existing unequal divisions of household labour, low status, or providing skills and opportunities in new emerging growth sectors.

This said, there are important examples of gender-sensitive design features in a number of programmes. Cash transfers and some subsidy programmes have included important components which support girls’ education and also promote better access and utilisation of health care and other basic social services. Programmes aimed at supporting economic participation (public works, asset transfer and subsidised childcare programmes) seek to tackle gender inequalities by promoting women’s participation and equal wages in economic activities through explicit targeting criteria and quotas; however they also largely remain focused on low or unskilled manual wage labour in traditional jobs, rather than seeking to offer skills so that women can take up better remunerated employment opportunities.

While Bangladesh’s CFPR programme focuses on increasing women’s economic productive capacities and provides intensive training courses to increase women’s knowledge and skills mainly in relation to livestock, there is limited scope to gain new skills relevant for moving into new growth opportunities in the rural or urban sectors. This is also the case with the public works programmes in Ethiopia and India.

These challenges notwithstanding, a number of programmes under consideration do recognise to an extent that social risks (such as the unequal division of labour in the household and inadequate social support for care work) can prevent women – and in the case of Mexico, also single men – from engaging in economic activities by providing alternative childcare arrangements. Both India and Ethiopia’s public works programmes include childcare provision, and the PSNP goes further by providing flexible hours of work for women.

**Time poverty and empowerment**

By offering women in labour-constrained households direct support (through cash or food transfers) instead of waged manual labour during pregnancy and nursing, life-cycle vulnerabilities are recognised. In addition, special consideration is given to creating community assets which reduce women’s time poverty (e.g. the development of fuelwood and water collection sources in closer proximity to the village) and/or compensate for the labour shortage typically characteristic of female-headed households by utilising public works labour to support agricultural work on privately owned female-headed households’ land.
One of the key challenges that many social protection programmes face, however, is the assumption that the transfer of economic resources to women – either through work or through cash or in-kind transfers – will automatically translate into empowerment, bringing increased power and decision-making to women in the household and beyond. Few programmes have prioritised transforming intra-household relations in their programme design to ensure that increased household income (or in-kind benefits) is effectively allocated and does not have adverse effects on existing relations or the division of labour in the household.

Peru’s Juntos and Bangladesh’s CFPR programme are key exceptions here in the way that they marry cash or asset transfers with an explicit focus on meeting a range of economic and social objectives through complementary programmes and services by situating social protection in a broader social equity framework, aimed at enhancing women’s rights and citizenship. For instance, Peru’s Juntos’ birth registration requirement benefits in particular female-headed households who might have struggled to gain access to services and public programmes due to a lack of identity papers. Juntos and CFPR also both link to services and programmes which aim to address gendered social risks, including gender-based violence and early marriage, as well as awareness-raising about the importance of a more egalitarian distribution of domestic and care work responsibilities – seeing these as critical enabling factors to improve the effectiveness of core programme objectives.

In addition, some programmes have attempted to promote the participation of women in programme governance structures and in community meetings to ensure the effectiveness of programme implementation. In India, for example, MGNREGA guidelines recommend that women are represented in the social audit forum (a grass-roots monitoring mechanism), and in Ethiopia there is similarly a provision for 30 percent percent women’s participation in community discussions about the type of community assets to be constructed with public works labour. The Juntos programme in Peru goes even further to promote women’s participation and leadership at the community level through the election of women as community facilitators serving as a link between programme implementers and beneficiaries.

**FROM DESIGN TO IMPLEMENTATION: IMPACTS OF SOCIAL PROTECTION**

Given the mixed record in integrating gender into programme design, it is perhaps unsurprising that social protection has both positive and negative impacts on gender equality. The effectiveness of implementation also plays a large part in the outcome of programmes at the individual, household, intra-household and community level (Holmes and Jones, 2010).

At an individual level important positive impacts emerge from a number of the programmes, including intended and unintended impacts on men and women. Public works programmes have successfully included women into their programmes, with women representing approximately 40 percent of workers in India and Ethiopia’s public works programmes, in part addressing women’s generally lower economic participation rates. Public works programmes have also tried to tackle gendered wage disparities in the rural sector by providing equal wages for men and women. This has had an important impact in India, for instance, where in private agricultural employment women receive approximately Rs. 30 a day (men receive up to Rs. 45 a day), whereas under MGNREGA they both receive approximately Rs. 90.

In Ethiopia, and also in Bangladesh, there is a small but positive shift for some women programme participants entering better remunerated and less abusive forms of work. For instance, in Ethiopia teenage girls and young women in Southern Nations Nationalities and Peoples Region suggested that the programme had reduced their need to work as domestic employees in nearby towns, roles that are often subject to low remuneration and abuse by employers. In Mexico, the subsided childcare scheme, Estancias, has promoted greater labour market participation among women who are now able to work more hours on a regular basis and thereby secure more stable and better paying jobs. It has also allowed some beneficiaries to enter tertiary education – a benefit seen especially among young single women.

There are, however, a number of implementation challenges which negatively impact women in particular. Assumptions about “appropriate” types of work for women and for men and payment based on male productivity norms has meant for instance that men continue to receive higher wages and women are given fewer days work. Moreover, single women are
often particularly excluded, especially when earthwork depends on family-based couples working together as is often the case in India’s MGNREGA.

**Missed opportunities**

In both Ethiopia and India the provision of childcare facilities is rarely implemented, despite inclusion in programme design, and limited knowledge and capacity among programme officers and the community mean that even gender-sensitive design features are not well prioritised or demanded as the following excerpt explains:

*Tasks for women are ill-defined: “light work” for instance is used to refer to tasks that women commonly perform such as carrying stones and fetching water – but why are these deemed easy tasks?...Overall, the programme doesn’t take into account deeper gender interests: it is not about rethinking roles and responsibilities for women. Nothing is changing within the household in terms of gender roles as a result of the PSNP. (Canadian International Development Agency (CIDA) Gender Expert, 2009)*

Moreover, in Bangladesh, Ethiopia and India many women also remain dependent on men to earn income from either their labour or transferred assets because bank accounts are not opened in women’s names and income can only be accessed through their husbands, or because of cultural attitudes which restrict women’s mobility to go to the market. As one woman in Bangladesh emphasised:

*Would my husband let me go to the market if he were alive? He would say “why should you go to the market when I am here?” If I had a son and I went to the market, people would say to him “I saw your mother in the market, yet you say big words.” (Single elderly woman, Daljitpur, Narail, 2010)*

Intra-household tensions

Impacts at the intra-household level however are much more complex. In Peru, for example, programme conditionalities and involvement in complementary activities such as awareness raising meetings have contributed to an acceptance of increased mobility among women; at the same time they have in some cases exacerbated women’s time poverty. In other contexts, however, programmes have exacerbated or created intra-household tensions especially where programme participation has involved a shift in women’s roles or responsibilities. In Bangladesh, this tension was foreseen and ways to overcome this were built into the initial programme design where programme implementers engaged with men to promote their acceptance of women’s participation in the programme. In other programmes, such as in Mexico and Peru, as men have seen the benefits of the programme there has been less opposition. As one beneficiary in Peru explains:

*We now reach an agreement, we go alone to the bank, [previously] men did not understand, they got annoyed even when we attended meetings, we were afraid and even had to miss meetings. (Female participant in focus group discussion, Motoy, Peru)*

In Vietnam, increased household income has reduced violence and intra-household conflict, yet in some households in India, for instance, conflict between women’s engagement in MGNREGA and their domestic responsibilities remains a source of tension.

Overall, our case studies demonstrated that, where women are direct beneficiaries and where programmes link women to training and skills development, small but important gains have been made in increasing women’s knowledge and confidence, and in increasing their status and respect within the
household. However, by and large, women’s receipt of increased income directly or indirectly through social protection programme participation has not automatically translated into a significant change either in intra-household relations or in increased decision-making power beyond the control of income within the household. In Ghana, for instance, the LEAP transfer has tended to be managed in line with existing gender roles and responsibilities, whereby decision making rests with husbands, brothers and sons:

*The LEAP money is given to our husband who tells everyone what the money should be used for. He consults his wives and seeks a consensus but he decides.*

(Married woman, Gushiegu, Ghana)

The exception is the case of Peru, where important impacts are starting to emerge within the family as a result of linking recipients with complementary programmes and visibly enhancing women’s leadership and role in the community. This has had a number of important benefits, including reducing gender-based violence and supporting changes in the gender division of labour for some households, particularly among the younger generation, where men are taking on more domestic and care work tasks when women attend programme meetings.

*Before it was different, there were no training sessions. We didn’t know, so when we argued with our wives we even kicked them or punched them. But with Juntos they always tell us we must live in harmony. Before, women were not aware of their rights, even men weren’t, which is why there was violence ... Now it has diminished, we talk more.*

(Male participant in focus group discussion, Motoy, Peru)

At the community level, women report that participation in social protection programmes has increased their household’s participation in informal community activities and events (such as contributing to funerals or supporting neighbours). However, evidence suggests that there has been limited impact to date on women’s active involvement in programme governance structures or community meetings and decision-making. Even when women are represented, the quality of participation is often an issue:

*Lots of women aren’t aware of the opportunities or of the issues being discussed if they do attend meetings.*

(CIDA Gender Expert, Ethiopia)

Cultural and social norms, which prevent women’s active engagement in decision making at the community level, persist and women are also excluded when meetings are held at times when they cannot attend because of their domestic responsibilities.

*Poor women at meetings rarely express their ideas as they are afraid of being wrong and think that others will expect too much.*

(Female participant in focus group discussion, Soc Triet, Vietnam)

The experience of the Juntos programme illustrates the investment needed to build institutional structures and women’s capacity so as to support their participation and leadership in community and programme activities more effectively. Women attend frequent meetings, and Juntos actively delivers messages regarding women’s right to participation in the public sphere and leadership in synergy with other local interventions. Access to training opportunities is highly valued as a space for socialisation and learning, as is its effect on improving women’s abilities to communicate and become ‘more liberal’ (i.e. overcoming traditional barriers to expressing themselves).

CONCLUSIONS AND POLICY IMPLICATIONS

Gender-sensitive policy and programme design and implementation have the potential to reduce gendered poverty and vulnerability and to increase the effectiveness of social protection programmes in which millions of dollars of national government and international aid funds are invested annually. To date, however, gender equality objectives have mostly been secondary goals – at times not even that – yet important intended and unintended gendered impacts have emerged. Where programmes are cognisant of gender dynamics in the household, community and workplace, however, they can better support the maximisation of positive impacts and reduce potentially negative ones. Overall, our research findings highlight that, with relatively simple design changes and an investment in more strategic implementation practices, there is strong potential for social protection to contribute to a broader transformation of gender relations. More specifically, our multi-country evidence points to the following policy implications for national governments, donor agencies and NGO champions to consider.

GENDER-SENSITIVE POLICY AND PROGRAMME DESIGN:

Ensure that policies and programmes are informed by
a clear analysis of economic and social gender vulnerabilities, and recognition that addressing their gender dimensions is critical to programme effectiveness. As such, social protection programmes with strong and well-coordinated linkages to complementary programmes and services are critical. When social protection instruments are situated within a broader package of social and economic policy objectives they are more likely to have a notable impact not only on women’s practical gender needs but also on transforming gender relations among men, women, boys and girls more broadly. Good linkages are needed, for example, across health and reproductive health services, social development and rights awareness training, credit access and employment training.

**Evidence generation:** Assist those designing national social protection strategies to source evidence creatively on the different experiences of poverty and vulnerability for women and men, so that they can position gender equality as central to social protection objectives.

**Strategic partnerships:** Support champions of gender equality in forging alliances with those promoting social protection, to better integrate gender into every aspect of social protection policies and programmes. This could include helping gender equality advocates to frame strategic gender-specific demands that resonate with wider ideas on social protection, institutional mandates and the interests of key actors.

**Implementation capacity:** Develop tailored and ongoing capacity-building for programme implementers and male and female programme participants alike about gender-related programme aims, including reducing women’s time poverty and finding collective solutions to care work responsibilities.

**Coordination between actors:** Ensure strong political commitment, strategic coordination across implementing agencies and service providers (including gender focal points), and sufficient funding over the medium to long term to achieve real change.

**The potential of the community-programme interface:** In the case of public works and asset and cash transfer programmes, make better use of the regular interactions that social welfare officers/local implementation officers have with local communities on payment days, to initiate community dialogues on ways to address gender inequalities such as gender-based violence, early marriage, the costs of child labour, especially for girls’ human capital development, and gendered forms of social stigmatisation. At the same time, raising awareness and capacity of the community can enhance understanding and demand for gender-related social protection programme provisions.

**Gender-related monitoring, evaluation and learning:** Promote the collection, analysis and dissemination of gender- and age-disaggregated indicators which are essential to ensure that programmes are informed by gender considerations. Such indicators could include, for example, impacts on women’s mobility, decision making power and control over resources. Institutionally, linkages and lesson learning between government- and NGO-implemented programmes should be promoted through frequent knowledge exchange activities and lesson learning among donors and international agencies to identify opportunities to strengthen gender-sensitive social protection programming.
Sven E O Hort:

How did Sweden do it?
The development of the Swedish welfare state

An in-depth picture of the importance of social protection systems in Sweden’s history can help to increase understanding of the role such systems can play in developing countries today. Sweden’s social protection system, which has local and central elements, was introduced gradually over a long period, with the decision to introduce a universal state pension in 1913 as an important milestone. The social protection system helped to make the population healthy and well educated and was an important element in Sweden’s development from a nation of farmers to a flourishing industrial and service society.

The Swedish welfare model is founded on the primacy of work principle on the one hand and the social protection system on the other, two pillars that are mutually dependent. The primacy of work principle means that every citizen must be a taxpayer and thereby a wage earner during the part of their lives in which they are capable of working. The social protection systems give all citizens the right to basic financial security whether or not they are able to contribute themselves.

In general terms, the social protection system can be said to comprise two different elements. The first part is the extensive social insurance systems that provide financial security for the vast majority of citizens in the phases of their lives in which they are unable to support themselves, particularly sickness insurance, unemployment insurance, parental insurance and pensions. The payments from these are mainly linked to previous income from employment. They are part of the state’s responsibility and are financed through indirect taxes and payroll taxes (known as social charges or social security contributions). The active labour market policy is also the responsibility of the state, as is child allowance. Unemployment insurance, unlike the other insurance systems, is run by unions but is still financed via the state.

The second part is means-tested financial support paid to people for whom the general social protection systems do not provide an acceptable standard of living for various reasons. This support is administered and funded by the municipalities at local government level. The need for local income support (formerly known as “social assistance” and even earlier “poor relief”) fell sharply with the emergence and growth of the major social protection systems. In recent years, however, the need for such support has risen once more, mainly due to an increase in the number of immigrants who are not covered by the social insurance systems and to cuts in the amounts these pay out. However, the main role of the municipalities and county councils in the welfare society is to be responsible for the welfare services – schools, care and healthcare – which are funded from income tax.

The strong local element in the welfare state is not particularly well understood in other countries, where the Swedish welfare state is often seen as centralist.

The different elements of the welfare system complement each other in several ways. The social insurance systems cannot be understood without the social service provided by the municipalities and vice versa, and the primacy of work principle is fundamental to both. Unemployment insurance for employees is a complement to the active labour market policy. Receiving allowances and benefits is an effect of the universal system, funded through taxation. The system is large and involves a multitude of visible and invis-
ible threads – it is undoubtedly complex to control at national and local level. The way in which the levels mutually interact in particular poses a challenge for intelligent and well-intentioned reformers as well as interfering ones. However, the fact that the systems must cover everyone – universalism – and are to involve as little means-testing as possible remains relatively undisputed even today.

This article describes the growth and expansion of the primacy of work principle, the social protection systems and municipal welfare. It begins with a general presentation of the history of the Swedish welfare state bringing it up to the present day and looking towards the future. This is followed by a more specific discussion of the relationship between work and social security with a particular focus on tax-funded social insurance. The deregulation and privatisation of tax-funded welfare seen in the past twenty years is also addressed. The conclusion looks at the challenges that the system currently faces.

UNDERPINNING THE FUTURE: THE HISTORICAL FRAMEWORK

The modern welfare state emerged in the crossfire between the entrenched structures and rigid institutions of the old agricultural society on the one hand and the processes and movements of the new industrial capitalist society on the other. On one side was the military and hierarchical state, the domination of the monarchy and the nobility, the state church, etc., and on the other the liberation, equality and solidarity movements of modern society: emigration, the free churches, the temperance movement, the labour movement, the farmers’ movement, the women’s movement, the suffrage movement and the growth of mutual societies to cover sickness and funeral expenses. To use a contemporary expression the welfare state grew up in civil society, via popular, social mass movements that demanded something more, better, freer, greater and more humane than the “fortified poorhouse” – the name given by the young radicals to the ancient regime in which citizenship and fundamental human freedoms and rights were still determined by money, inheritance, birth and social status.

In nineteenth-century Sweden, poverty was widespread, infant mortality high and for the common man and woman old age, when the capacity to work began to decline, posed a threat. Average life expectancy was still not more than about 50 in the second half of the nineteenth century. Many Swedes – one million of a population of four to five million – sought a better life in North America. It was these people’s rights that the growing popular movements took up, while being prepared to recognise the demand that people had a duty to the nation. It was this world that the vast majority wanted to change then and there. And change there was.

From poor relief to social services

After the municipal reform of 1862, the poor relief that had been administered at local level by the church through the parishes was taken over by the 2,400 new, as yet often weak, secular municipalities (with the exception of the major cities). Poor relief consisted of auctioning out the poor to the lowest bidder, ambulatory care where the poor person had to move from one farm to another, boarding out, or the poorhouse. The church was part of the old hierarchical state, in which the poor relief boards were usually headed by the local priest. Poverty and ignorance were widespread in rural areas in the nineteenth century. Poor relief was humiliating and carried a stigma in that it was for the most helpless and neediest paupers. The poorhouse was the place where everyone from orphans and the childless elderly to mentally handicapped people completely incapable of working were sent following the decision of the poor relief board.

However, a movement to reform the poor relief system began to grow up across Sweden at around the turn of the century. The National Association for Social Work (CSA) initially gathered together a large number of socially active members of civil society and at the same time was a driving force behind the creation of a central public welfare authority (the National Board of Health and Welfare). This movement demanded far-reaching reform of a system it saw as rotten, but it would not be until 1957 that the Riksdag (the Swedish parliament) removed the concept of poor relief from Swedish legislation and it was 1982 before new, more modern social services legislation was adopted. By that time the Swedish Association of Municipal Social Directors had been lobbying for two decades to get social rights enshrined in Swedish legislation. They were incorporated in the Swedish Constitution some years earlier in 1974.

It took time to persuade the political parties in the Riksdag to implement what were seen as necessary
changes in the rules for social childcare, the situation of disabled people and, not least, care of the elderly. Reform was achieved step by step and government inquiries devoted much time and energy to finding appropriate forms of support for social services at local level. Municipally run social care, increasingly professionalised, was gradually adapted to the state social insurance system. However, the means-tested benefit – today known as income support – never entirely managed to free itself from the stigma of poor relief.

A welfare movement grew up around social policy and social issues early on, which gradually also came to question whether welfare should rest on volunteers. The form welfare was to take made it onto the political agenda and in the space of just half a century – from the last decades of the nineteenth century until the outbreak of the Second World War – a statistically poor nation was transformed into one of the richest societies in Europe. By that time almost a million people had left Sweden for North America. It was not until the end of this transformative period (1944) that recipients of poor relief became full citizens and were granted the right to vote. Efforts towards redistribution and social protection took time and encountered opposition from those who not only faced losing power and influence but also had to help pay for the new systems. It was not until the church had lost its grip on the old universities that Swedish social research took a giant stride and switched the spotlight from poverty onto welfare. Since then, surveys of standards of living and welfare have followed hot on each other’s heels in the wake of the growth of Sweden’s social protection system.

An agricultural society in transition

The major transformation of Sweden thus took off in the mid-nineteenth century with the breakthrough of industrialism and freedom of trade and the modernisation of society and the state, particularly through communications, from railways to newspapers, bringing the country closer together. A public space was created in which freedom of expression became a value protected in the Constitution and censorship was limited. The bureaucratic state and public administration were professionalised, corruption was combated. People broke and liberated themselves from the bonds and restrictions of the old society. Ironworks became factories: mining, ore, iron, steel and timber were Sweden’s basic industries and the foundation of a growing technology industry.

The journey from agriculture to industry also released human energy and creativity which led to new forms of cooperation at local level, paving the way for new kinds of social protection systems. Known as hundramannaföreningar (literally societies for a hundred men), voluntary mutual societies to cover sickness and funeral expenses were the predecessors of Sweden’s social security funds. They were run on democratic lines and received state funding from 1892 onwards. These societies forged new, mutual links between friends and neighbours and created protection against the risks that went hand in hand with the new opportunities of the period, particularly when many people no longer had any arable land, fishing rights or a master to fall back on.

Up until the end of the First World War, the land was the main source of livelihood for the majority of the population and Sweden was still a largely rural society. Sweden escaped the global agricultural depression after the First World War relatively unscathed, as protective duties and controls shielded agriculture from competition on the global market. Agricultural cooperation played an important role in this regulated system, where the farmers’ own organisations, under government supervision, negotiated prices for milk, butter, grain and meat. In practice, agricultural policy became social policy for a particular category in society that it guaranteed farmers’ incomes. This has remained the case to this day although agriculture is now exposed to competition, primarily from other EU countries. Agricultural policy as social policy became a model for the regulation of the industrial labour market, with both parties having a negotiating system and the provision of a state income guarantee in the form of social security insurance.

Unions and other popular movements

The growth of a counter to the rights of industrialists and employers to control and distribute work and to sack employees was very important. In Sweden the unions were mainly built up by Social Democratic agitators inspired by the success of the German

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39 The name comes from the fact that the association could number a maximum of a hundred members. Several hundramannaföreningar could therefore be founded in the same location.
labour movement. However, it was members of the free churches who took the initiative and the lead in the first “wildcat” strike movements. A labour liberalism emerged and long worked for social security reform. A working class was formed which also included rural workers and other more peripheral groups in the labour market and which ultimately became an organisational role model for the mobilisation of the union movement of the entire wage earner collective. Particular emphasis must be paid to the close links between unions, unemployment funds and the state.

The importance of the unions in the birth of Sweden’s social security systems can hardly be overestimated and the absence of union freedoms and rights is today an important cause of the lack of social protection in many parts of the world from Colombia to China. In Sweden the unions at an early stage forged bonds at local level with the local chapters of the Social Democratic Party, which subsequently placed the party in an exceptionally strong position in Swedish politics. Gustav Moller, Social Democratic party secretary from 1916, was the man who came to lead the work of social reform over the decades, not least in his capacity as Minister of Social Affairs 1932–1951. It was his contemporary, Social Democratic party chairman Per Albin Hansson, however, who coined the expression “folkhemmet” (“the people’s home”), for the welfare state, which remains one of the living symbols of political rhetoric to this day.

Rootlessness in the wake of the growth of the new society thus provided scope for the popular movements, the voluntary clubs and societies with producer (agriculture) and consumer cooperatives, unions and political parties, as well as the free churches and non-formal adult education (folk high schools and study circles). The temperance movement became the biggest popular movement at an early stage, serving as a template for the other movements. It gathered over a million signatures in the first “referendum” – a petition demanding the prohibition of spirits and bars (1911). In the official referendum ten years later the temperance movement gained almost half of the votes. This challenge forced more cautious social reformers to produce a counter-proposal involving a state-run monopoly company and considerable restrictions – e.g. rationing – on the distribution and serving of these harmful beverages. Swedish alcohol policy is part of Sweden’s general welfare policy. The ideal society of the temperance movement – an alcohol-free society – was never realised but moderation took root in a Sweden characterised by popular movements.

**Work and Social Security**

The Liberals were strongly influenced by the social security solutions which emerged in England, France and Germany and during the 1880s had taken the initiative on social reform in the Riksdag – particularly regarding the introduction of factory inspections and protection against accidents in the workplace. Inspired by Chancellor of the new German Empire Otto von Bismarck’s compulsory social insurance system in 1884, the radical reformer and Liberal member of the Riksdag Adolf Hedin proposed a similar Swedish system covering workplace accident, sickness and old age insurance. The difference was that these insurance systems were rooted in civil society from the start, forming the basis for cooperation between employers and wage earners. The unions and the employers, initially in conflict, were able to agree to a point where they looked beyond their own interests and together formulated a universal social interest – separate interests were converted into the public interest.

Following a first, a second and then a third government inquiry – Workers’ insurance committees, etc. – a welfare state gradually began to be built up and to function, although for a long time the amounts paid out were minimal and meagre. In 1901, for example, it was compulsory for employers to insure their employees against loss of income in the event of accidents and injuries in the workplace, events that were very common at the dawn of industrial capitalism.

A new body, the National Social Insurance Institution (Riksförsäkringsanstalten), was established the same year. A decade later, this authority had taken over all the above insurance activities, removing the many private companies whose products did not work particularly well in a competitive market. This government agency was followed by many more, among which the National Board of Health and Welfare (Socialstyrelsen) stands out early on as the arena where the parties in the labour market came to meet in an organised way.

In their book *Crisis in the Population Question*, future Nobel Laureates Alva and Gunnar Myrdal set
out a social reform programme which also contained support for various family reforms in housing policy. However as Minister for Social Affairs, Gustav Möller carefully selected the measures that he considered it possible to implement. One important example was state financial support to union-run voluntary unemployment funds, first introduced in 1934. The rest was left to the many government commissions of inquiry at the time. As the reform programme progressed, Myrdal’s disciples Rehn and Meidner formulated the theory of the solidarity wage policy which would enable the financing of the welfare state and the social security systems.

Pensions
In 1913, during the Liberal Karl Staaf’s incumbency as Prime Minister, the Riksdag passed almost entirely unanimously a decision on a universal state pension system which made the entire Swedish population pension savers in the state-run public pension fund. Even the poorest and most impecunious were included as the state and the municipalities took on the responsibility of paying the premium for these groups. From 1914 onwards all women and men over the age of 67 received a pension payment each month (at that time average life expectancy was 55). This saw Sweden become the first country in the world to introduce a pension system that was not dependent on contributions paid in and in which all elderly people received payments from day one. The situation at local level was improved since a major financial responsibility to support poor elderly was shifted from local municipalities to the central state. Conservative Riksdag members representing rural constituencies in particular saw this as progress. Everyone was to be included, neither rich nor poor were to be excluded, and the aim was thus to create a national community – folkhemmet, the “people’s home”, as it later came to be called.

The new government agency, the Social Pension Institution (Folkpensionsanstalten) administered the system jointly with the municipal pension boards. In practice no-one avoided becoming a taxpayer, as almost all wage-earners already were included through the recently introduced income tax declaration.

From the start, payments to women were lower than those to men, and married couples received less than two unmarried people living alone. In the 1930s, locations were grouped into three cost categories, such that those who lived in the countryside received a slightly lower amount than those who lived in towns and cities. Despite the ambition for reform, however, many pensioners were still dependent on extra assistance and older people formed a major group in the category “recipients of poor relief”. In 1948 this changed with the introduction of a considerably more generous and uniform state pension system. Women and men were treated equally (married couples and single people were still treated differently, however) and pensioners could also apply for additional municipal housing benefit.

The next step in the development of a state pension system was the introduction of the National Supplementary Pension (ATP) which gave all those in work an income-related pension. One alternative would have been for different occupational groups to create their own supplementary pension systems. Before the introduction of ATP, embryonic occupational systems had existed. These would later be brought back in the form of additional contractual pensions, in which unions and employers agreed on a fixed deduction from pay for future pension payments. Today the state pension funds created via the ATP system form an important element of the Swedish pension saving system.

Sickness insurance
National sickness insurance grew out of the voluntary mutual society movement referred to above in which people banded together to cover sickness and funeral expenses, which had received state support for its administration since the 1890s. These civil society movements were working to transform the old hierarchical state into a new type of democratic state
and had nothing in practice against their operations being taken over by the state. Inquiries into national sickness insurance were held by the Riksdag and the government several times from the 1880s onwards, until a Riksdag decision was reached shortly after the end of the Second World War.

The decision was part of a much larger public welfare programme that the Riksdag pushed through with broad consensus. The new state pension has already been mentioned. Universal child allowance was to be another key feature. The sickness insurance which combined national sickness insurance (which paid for medical treatment) with a national sick pay insurance (which provided compensation for loss of earnings in the event of illness) partly already existed thanks to the voluntary insurance movement. At the same time the medical community defended their privileges, including the right to charge for visits to a doctor.

The unions were opposed to the uniform payment amounts in the first national sickness insurance system agreed on and succeeded in getting an amendment in place which saw the introduction of income-related national sickness insurance in 1955. This came to be coordinated with the existing income-related compulsory workplace accident insurance. The National Social Insurance Board (Riksförsäkringsverket) became the agency which supervised the county-based sickness funds, after 1962 renamed the Social Insurance Agency (Försäkringskassan) plus the name of the county. From this point the Social Insurance Agency was responsible for most of the payments from the social insurance system, including pensions and child allowance. The exception was means-tested income support, which was administered at municipal level.

Family policy
Maternity insurance and similar benefits were part of state-supported voluntary sickness insurance before national sickness insurance was introduced. The many government inquiries that characterised the 1940s also culminated in a proposal for universal child allowance for all children under the age of 16. This was introduced in 1948 and was passed completely unanimously by the Riksdag. No children were to be singled out due to the financial situation of their parents, whether rich or poor. Even if the idea was utopian, all children were to be given equal opportunities, to some extent, arguments which also came to be used regarding the subsequent expansion of preschools.

Following the introduction of national sickness insurance in 1955, extensive work began to reform family policy. In 1974 this resulted in the now well-established parental insurance system, under which men as well as women are able to remain at home during their child’s first year with no loss of financial security for the adults and the child. Equality became the aim.

In the parental insurance system it is the “dad month” introduced in the 1990s, payable only if taken by the father, which is the clearest example of proactive intervention in prevailing family norms, where women continue to claim the majority of parental leave. Housing allowance for families with children was already in place before the introduction of the insurance but this came to take on greater importance, partly since a wide-ranging building programme had largely eradicated the housing shortage.

Evening out standards of living
The construction of the welfare state in the first decades after the Second World War led to reduced gulfs in society, fewer class differences and a tangible evening out of incomes in parallel with the disappearance of the single breadwinner family. The solidarity wage policy and the social insurance systems played a major role in the development of a fine-meshed social safety net. Full employment for women and men was achieved, with about a third of the workforce employed in the public sector, mainly by municipalities and county councils.

At the same time the general social insurance systems, together with the municipal social protection network, probably created the closest any country has come to a basic income guarantee while maintaining the duty to work. The means-tested social assistance (now income support) took on a more marginal role as the social insurance system grew. Schools and healthcare were removed from the market and were mainly run by the local state, where women working part-time accounted for a large proportion of employees. Private schools and carers were the exceptions. It was this entire system that was to be hit by what was subsequently known as the crisis of the 1990s.
THE CRISIS OF THE 1990S
CHALLENGES WELFARE
In the early 1990s Swedish society was shaken by the worst economic crisis since the depression of the 1930s. The crisis hit only a year or so after the “tax reform of the century” had been said to guarantee the financing of the welfare system and social insurance. In just a few years Sweden went from being a country with almost full employment to unemployment figures reaching up to ten percent. Fewer and fewer people had jobs, which in turn led to lower tax revenues. The amounts paid out by most social insurance systems were lowered and the rules tightened up. Benefit fraud was prosecuted. Above all, a sceptical view of social benefits started to be voiced at central level, while the welfare movement was strongly behind the state systems. The crisis was also a contributory factor to a narrow majority voting for EU membership in the referendum of 1994.

The crisis was also expressed in other ways. The deregulation of credit policy caused a banking and housing crisis which added fuel to the fire of the 1990s. Proximity to the Finnish economy, which had been strongly influenced by the collapse of the Soviet planned economy, was also significant. The financing of welfare was gradually threatened as the national debt grew in the first half of the 1990s and interest payments accounted for a growing proportion of national expenditure. Public sector jobs also became fewer, while the quality of public services was on the line as they had to provide more for more people.

These problems in financing and organising welfare were also exacerbated by a surge in immigration in conjunction with the return of war to Europe. The Swedish Migration Board and the municipal immigration apparatus became increasingly important cogs in the social machinery of the welfare state. Child allowance to everyone resident in Sweden applied and still continues to apply from day one. Allowances for participating in education in Swedish for immigrants (SFI) have once more made means-tested income support more visible in the social security system overall. At the same time higher education in general became a buffer which had to absorb the growing cohorts of young people until new companies and new jobs were able to ensure the financing of the welfare system.

Towards the end of the decade the crisis had almost been ridden out – an “IT bubble” burst in 2000 – but at the cost of growing income disparities and more temporary and flexible jobs. Unemployment at a higher level than before in a new form of growth economy meant that unemployment insurance became more a kind of permanent support to older long-term unemployed people awaiting pensionable age than a temporary allowance between changes of career. Handling of the crisis was headed at central level by cooperation between the political parties of the labour and agrarian movements. This also paved the way for a relatively extensive change in the state pension system, introduced largely harmoniously, in which future pension payments were more clearly tied to previous incomes. The partnership between the Centre Party and the Social Democratic Party also led to a lasting austerity programme which kept down public expenditure on welfare and led to gradual repayment of the national debt.

CONCLUSION: THE REORGANISATION OF WELFARE AND STATE RESTRUCTURING IN A NEW WORLD
The welfare system survived the crisis of the 1990s, but not without tears in the fabric of the social protection network and challenges for the financing of welfare. Payment levels for most types of social insurance had been dragged down and qualifying days reintroduced. The 21st century has seen the primacy of work principle emphasised and benefit claimants subjected to additional checks. Tighter rules on unemployment insurance contributed towards further uncertainty surrounding the survival of the system and tangibly worsened conditions for large groups of union members. However, the after-effects of the global economic crisis in 2008 turned Sweden and the Nordic countries into a success story – for how long it is too early to say for definite.

Municipal welfare policy has been restructured in a move towards greater competition between public and private providers of social services. The municipality has thereby taken on a double role as both a producer subject to competition and a public financier, while the state inspects and evaluates the tax-subsidised municipal and private alternatives in the health, care and education sectors. Nevertheless the municipalities are still synonymous with public welfare – the welfare municipality or “society” – and the public types of social insurance constitute basic protection on top of which contractual insurance and
private insurance options create a social safety net according to capacity.

The changes in social protection systems have led to clearer exclusion, and to not only profit-motivated producers of welfare but also voluntary civil society welfare actors taking on a greater role in the welfare society. Since its disestablishment, the Church of Sweden has become the largest voluntary organisation in the country and like other church and religious communities is more visible in day-to-day welfare provision, such as meetings for those free in the daytime and hostels for the homeless. New voluntary welfare organisations or new versions of older ones have also gained in importance, e.g. in defending the opportunities of un-documented immigrants to gain access to healthcare and schooling.

The bipartite nature of the welfare state – with both national and municipal elements – remains in place. In recent decades this dual nature has been supplemented by another division – that between tax-funded private and public welfare producers. It is this welfare model that made a comeback on the international stage in the first decade of the 21st century as an example of a successful balancing act between social freedom and equality. Although on the home front the image of cracks in the welfare state dominates in the media, not to mention in Swedish crime fiction, the Nordic social welfare model is still seen globally as an example worth emulating.
A central aspect of social protection systems is that they are ultimately the responsibility of the public sector. They are based on a contract between the government and citizens, in which the authorities grant the citizens certain rights and the citizens contribute through taxes. Historically, however, it was the church that provided basic poor relief, healthcare and education.

In many developing countries this pattern still remains – a number of hospitals and schools started by missionaries are still run with the support of churches and church based development organisations. In Europe, the Roman Catholic Church runs many hospitals and schools in Italy and France, for example. In Germany since the time of Hitler there has been a fear of the state accruing excessive power, and welfare is therefore often provided by different organisations on behalf of society. The churches are an important actor in this respect (Bäckström et al., 2010).

In the Nordic countries the situation is slightly different. Here the Evangelical Lutheran churches gained an entirely dominant role after the Reformation. Certain fundamental Lutheran ideas therefore came to influence social development, as did the close bond between church and state.

Amid the debate on social protection in developing countries, the role of the churches is a complex one. The churches are providers of welfare but often also have the potential to be a powerful voice in social debate, as an important part of civil society. Their solid local base and long experience of social work mean that the churches are potentially important advocates, able to create public pressure and political opportunities for the implementation of social protection systems. A similar change in role has been seen in Sweden, where the churches have often taken on the task of drawing attention to deficiencies in the public welfare system.

In this anthology it is argued that in its international work the Church of Sweden should support the development of social protection systems. Attention is drawn to the role of the Church of Sweden and its international partners in advocacy work aimed at decision makers. To put the role of the Church of Sweden into perspective, this article takes a closer look at the way in which the church and Lutheran theology influenced our view of poverty and charity and the emergence of the Swedish welfare state. Furthermore, the article will discuss the theological motivation behind the Church of Sweden’s support for social protection systems, a motivation based not only on the development and human rights discourse as discussed elsewhere in this anthology.

This motivation takes as its points of departure Lutheran theology and the rights-based perspective, one
of the perspectives that must inform all the Church of Sweden’s international work.

**DIVISION BETWEEN CHURCH AND SOCIETY**

Does the Swedish welfare state have anything to do with the church? Yes, it has many Evangelical roots (Gerle, 2008). One basic concept which has shaped the framework for policy and social structures is that church and society have a shared responsibility for welfare. Sharing the bread so that there is enough for everyone is our challenge today – just as it was when the boy offered his five loaves and two small fishes. Many people interpret the parable of the feeding of the five thousand as meaning that the boy’s generosity spread, encouraging more people to share what they had. Every Eucharist reminds us of the connection between the gift of creation and a piece of bread and a single humanity. God’s love is infectious!

Today there is a common assumption that the church should take care of the spiritual side and look after the soul while the state looks after the physical side, the body, from the cradle to the grave. Maternity care, infant care, school nurses and primary care clinics are services that are the responsibility of local government in the form of municipalities and county councils. Even if Luther saw the human being as a whole, some aspects of this division can be traced back to Lutheran ideas. Sometimes people are aware that it arose via the Reformation, but not why.

The division between church and society that originated with the Reformation did not come about because it was thought that God was uninterested in physical healing and care. The idea was that God works in several different areas, even through those who might not see themselves as the tools of God. The church has also long worked closely in tandem with the state. Today the theological view that God works with two hands – partly in the church and partly in society – has often led to greater spiritualisation, with many people assuming that the church cares only about the spiritual side.

**Lay responsibility**

To Martin Luther, healthcare, care of the poor and education were essential (Torvend, 2008). However, he thought that these should not be tied to religious hierarchies and controlled and organised by the religious powers. After the Reformation this aspect therefore became the responsibility of the laity. Every baptised Christian had their given task in their daily life where they were seen as servants of God. Martin Luther described daily work as being more important than that of the cloister. A larger community, in which in principle everyone was Christian, would take responsibility for human wellbeing. In the early days the main responsibility rested with large households headed by a master and mistress. These contained considerably more people than the narrow nuclear families and single parent households we know today. They included maids and manservants, unmarried children and elderly parents.

Gradually activities such as schools and poor relief came to be run in collaboration with the parishes and later the municipalities. Structures for organising welfare were important. The responsibility was shared rather than resting solely on the individual or on the Church communities.

Luther spoke of three different spheres of promise, “Stand” in German, known in English as estates or orders or in Latin: oeconomia, politia and ecclesia. Oeconomia represented the household, while the task of politia, the state, was to maintain peace and justice – a responsibility resting with the Prince. The task of the church, ecclesia, was to preach the Gospel, in other words the glad tidings of forgiveness and everyone’s being part of the greater whole. Historically, ecclesia has incorporated education, research and culture, reflecting the historical role of the church in education. The Swedish Ministry of Ecclesiastical Affairs was responsible for issues concerning the church, education and culture up until 1968. It could be said that the Lutheran concept, whereby everyone is part of a larger story, gradually led to a welfare state in its emphasis on shared responsibility rather than charity by the Church. Today society is organised completely differently. In our time we see examples of the state and the municipalities welcoming social actors, churches and others, over an increasing number of their responsibilities. When debating who has overall responsibility, it is important to be aware of the historical background.

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42 Olof Palme was Sweden’s last Minister for Ecclesiastical Affairs.
THE EFFECT OF THE REFORMATION
The Church of Sweden is an Evangelical Lutheran faith community. Since the Reformation in the sixteenth century Sweden has been characterised by Evangelical-Lutheran thinking. In various ways this has influenced not only attitudes but also the structures and political frameworks of society.

During the Catholic period, churches and monasteries were responsible for healthcare, care of the poor and education. Part of the tithes that people paid to the church was spent on care of the poor. After the Catholic period, which lasted into the sixteenth century, only the priest was able to retain his share of the tithe, the remainder was seized by the state. This led to the collapse of religious poor relief and it was some time before poor relief provided by the parishes began to re-emerge.

When the monasteries were no longer able, or allowed, to provide healthcare, education and care for the poor, the new evangelical areas, as they were termed after the Reformation, had to meet these needs in some way. Certain church assets were set aside for the purpose. However, it was also realised that money needed to be raised and special funds were set up for the purpose.

The Church Ordinance of 1571 encouraged the establishment of parish houses and poorhouses and in 1628 a law was introduced whereby each hundred (bärad) and parish was to feed its own poor. The parishes raised money to finance this care of the poor through alms, poor boxes, charging for the hire of funeral pallis and bridal canopies, and for graves inside the church, as well as fines for various misdemeanours. From 1698 onwards charges were made for services such as publishing banns, and collections were taken at funerals. The eighteenth century saw an increasing emphasis on poor relief not being about alms and charity, but as being the obligation of society to take care of those in need. The Hospital Ordinance of 1763 laid down that each parish and town was obliged to feed its own poor (Regeskog, 1996).

Responsibility to provide for the poor
The Enskifte enclosure movement in the late eighteenth and early nineteenth century saw the land divided up into plots of roughly equal size, each with its own farm. Consequently, fewer people were able to live and work on a single farm, and the large households gradually disappeared. Craftsmen who had previously been needed on each farm now had to seek other jobs. Some became agricultural labourers paid in kind, others new farmers or crofters. The parishes (and subsequently the municipalities) were responsible for organising support for people who were unable to be supported by their families.

Because it was the municipality that bore the financial responsibility, it was considered important to determine the local area to which each person belonged, their “hemortsrätt”. People had to have lived in a district for three years without having received poor relief in order to be eligible for poor relief there. Otherwise their previous home municiplality could be required to pay. In many cases this led to conflicts between municipalities, each seeking to shift the financial responsibility for individual people to each other. Part of the current debate on the responsibility of municipalities for refugees and asylum seekers becomes comprehensible in the light of this historical background. Sweden has a dark history when it comes to driving away travelling people, Roma and others, who could become a financial burden on the municipality.

Vocation and Christian duty
Luther’s criticism of Rome called into question the administration of education and healthcare by the church and its clerical elite. This was to be the responsibility of everyone who lived in the parish. Being baptised as a Christian means having a vocation to live for and with one's fellow man. Charity was not something to be used to gain points with God. This potential carrot thus disappeared with the Reformation, and the structures which the Catholic church had built up around the monasteries were destroyed.

Luther emphasised the abundance of the heart, which meant that one willingly served one’s fellow man, in the joy of being forgiven and a child of God (Stolt, 2004). At the same time he described the often laborious work for others as “bearing your cross” in the footsteps of Christ. Obedience was emphasised and women, in particular, were expected to serve others.

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43 Stolt is a Germanist who has translated many of Luther’s texts and written books about his worldview.
From the late sixteenth century all Swedish citizens were forced to be Lutherans. Under Lutheran orthodoxy in the seventeenth century and for a long time thereafter it was necessary, for example, to attend communion at least once a year to count as a Swedish citizen. Religious orthodoxy was considered a citizen’s duty (Sandin, 1986; Gerle, 1999; 2003).

The heart’s delight in work, which Birgit Stolt highlights in her books, was probably a step too far for poverty-ridden peasant Sweden. Here instead the emphasis was more on duty and hard work.

It was taken for granted that Christian love would have consequences in everyday life. For Luther this was precisely where one’s fellow man needed one’s efforts. One’s vocation was met in one’s fellow man, which also included the poor, in need of bread and care. Being baptised was seen as a gift and a command. Humans became the children of God and at the same time a Christ figure for their fellow man. The overall responsibility for people’s physical needs, however, was not to lie with religious authorities but in other spheres, primarily in the household, in which the main responsibility rested with the husband. This was gradually increasingly transferred to the men entitled to vote at parish meetings and the municipal administration. It was thought that each individual had his own duties to perform in a hierarchical and patriarchal society.

Many think that the roots of Sweden’s trust in the state lie in the historical Lutheran society in which the Prince, i.e. the King, was seen as the guarantor of justice. Lars Trägårdh and Henrik Berggren show in their book: Är Svensken människa? (Is the Swede a human being?) (2006) that Swedish society was long characterised by the concept of a special contract between the Prince and the individual. This idea has been continued in the welfare state. In being able to rely on support from the state and the municipality, individuals have been able to achieve greater freedom in relation to their own families but also in relation to the church. In many other countries the extended family and religious affiliation also serve as a last resort for welfare where necessary. In Sweden, instead, the state almost serves as a replacement parent.

**Direct access to God through the word**
Luther’s ideas that every individual human being has access to God had major consequences. The spoken word, preaching, was to interpret life as a gift from God and to convey forgiveness and restitution. The emphasis was on the spoken word that everyone heard together. However, Luther realised that people had little knowledge of the Bible and even the priests were poorly educated. For this reason he wrote the Small Catechism that everyone was to learn by heart. This became one of the cornerstones of mass literacy in that everyone had to learn to read so that they could at least spell their way through the catechism. The first steps towards literacy were taken in the home, led by the man of the house, and consequently the Reformation led to the Nordic countries gaining a literate population earlier than the majority of other countries. In 1842 the Swedish compulsory elementary schools had more subjects on the timetable. The pietist movements placed even greater emphasis on reading. Their members were sometimes described as “readers” for this reason.

**A changed view of poverty – and of charity**
The Reformation broke with the Catholic church’s spiritual idealisation of poverty and the idea that charity grants spiritual superiority. Instead the Reformation claimed that all people were called to do God’s work in the world. They were not to be idle. Voluntary poverty was seen as parasitic rather than a spiritual sacrifice to be rewarded.

John Witte Jr, who has spent much time researching the relationship between law and religion, points out that charity was not to be seen as part of the development of the self but rather as a personal calling and part of a general calling as Christians. Charity produced no spiritual gain for the recipient, but those who received charity had an opportunity to see the good gifts created by faith (Witte, 2002). Christians could follow in the footsteps of Jesus in the service of their fellow man.

The vocation was thus a vocation within daily life. The theological emphasis was switched from the works of the monastic life to everyday life. Although not the intention, this may in practice have led to people giving less in alms because it did not “earn them points with God”.

**No work is holier than any other**
Luther broke with contemporary religious thought in two ways. Firstly, he thought that it was not only the
members of the spiritual estate who had a vocation, *vocatio*, and secondly, he considered that the contemplative life of the monastery was not worth more before God than worldly work. People were to work as the servants of God in the contexts in which they already found themselves. He thought that the division into a spiritual and a temporal estate was “an artful lie and hypocritical invention”.

The word *Beruf*, which in German simply means occupation, goes back to Luther and his thoughts on the vocation of the laity. The word “call” is “rufen” in German. This brings about “a democratisation of the life of faith”, according to Birgit Stolt. “The vocation of the laity also gave value to the most insignificant work, that of women to the same extent as that of men. Every human being had an opportunity to reach God through Christ without the intervention of priest or Pope” (Stolt, 2004:31). This means that every day and every human being becomes holy. The whole of life becomes holy, sacred.

**Every person’s responsibility for themselves**

As the parishes attempted to provide the most basic care of the poor, they inherited the criticism of the mendicant orders. The mendicant monks who owned no property, or the *preaching brothers*, as they were sometimes called, belonged to two different orders: the grey-clad Franciscans, or the “grey friars”, and the black-clad Dominicans, or the “black friars”. Martin Luther had railed against these orders saying that those who did not work should not eat either. Their charity work thus met resistance early on and this viewpoint was sympathetically received by Swedish agricultural society.

Farmers had little tolerance of laziness. It was realised that people were born with different capabilities but it was not until much later in history that attempts were made to do something about this. In the Lutheran society of the past, however, neither wealth nor poverty were associated with selection by God. The fact that people were born into different situations and positions was seen as something unfathomable and not worth puzzling over.

Besides the responsibility of large households to provide for their domestic community, it was the parishes who organised often minimal help to the poor and needy in the form of poor relief. However, this was not a question of real welfare, rather a kind of charity towards those experiencing difficulties. Ambitions in this respect only increased gradually. Lutheran pietism and revival movements inspired by the reformed Anglo-Saxon and Baptist movements can be seen as part of the force of enlightenment that increasingly gained ground from the seventeenth century onwards. They questioned the static systems and thought that Christian love should also reshape society and change structures, enabling more people to access education and welfare. Because society had become increasingly monolithic during the Lutheran orthodoxy of the seventeenth century, where the church almost operated in symbiosis with authorities at local and national level, this criticism was also important in breaking the influence and power of the church.

**The role of the Church and of Christians as poor relief became welfare**

Despite ideas that God works in different ways in different spheres – *oeconomia* (the household), *politia* (the state) and *ecclesia* (the church) – religious authorities from the seventeenth century onwards had a major influence over schools and poor relief. The priest was always the chair of the poor relief committees that were responsible for providing for people who could not be provided for by their own families, primarily the elderly and orphans. This was done through auctioning out the poor, ambulatory care where the poor person had to move from one farm to another, boarding out, or the poorhouse.

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44 When Luther talks about people being called to become the children of God or to become priests, the word *vocatio* (vocation) is used. When he “extends the religious monastic definition of works to apply to all people’s occupations and works” he talks about *Beruf*. “This calling is to serve one’s neighbour.” Nahnfeldt 2006:59. Grenholm refers to three different forms of vocation. The first, *vocatio*, is a calling to become a faithful Christian, while the second is that given to some people to become a priest. The third form of vocation is called *Beruf* and is a call to fulfil one’s external occupation or position in society. Grenholm 1994:151.

Towards the mid-nineteenth century, however, cracks began to appear in Sweden’s monolithic society. The revival movements played a significant role in this. They thus also contributed towards initiating a secularisation in which the church was gradually separated from central and local government. In 1862 the secular municipalities were founded, which then took over the parishes’ responsibilities for poor relief. Tithes were gradually replaced by the municipal and county council taxes that finance welfare today.

The historical role of the Lutheran church as poor relief in Sweden was not too impressive. However, during the first half of the twentieth century when poor relief in Sweden was gradually transformed into a welfare system, priests and Christian individuals were involved to a great extent. Many members of the network of committed people who played a major role in drawing attention to and tackling social needs in Sweden at the turn of the nineteenth and early twentieth centuries were active members of the church. Besides a conviction, inspired by Christian faith, of a responsibility to help other people, many of them were imbued with a paternalistic approach, believing that the needy should not merely be helped but also be educated. Those who indulged in drinking or “bad habits” should not count on receiving financial support unless they changed their lifestyle. Christian predecessors can thus be said to have contributed towards placing social welfare issues on the political agenda, and also towards slowing the emergence of the view of welfare that gradually came to characterise the Swedish welfare system – that welfare is a right, something to which everyone is entitled without having to account for their lifestyle.

**Welfare and rights**

The view that people have certain rights was developed in parallel with, and possibly in interaction with, the emergence of the first modern social security system in the first half of the twentieth century. Rights-based thinking has challenged much of traditional theology and the church’s paternalistic view of people. At the same time – and this may perhaps be seen as contradictory – theology and the church’s commitment to the equal value of people, and the belief that everyone has been created free and of equal value, has been an important source of inspiration behind the growth of rights-based thinking.

The idea that God created everyone equal was an underlying factor behind the signing of the Universal Declaration of Human Rights and the World Council of Churches was a driving force in the process of developing and adopting the declaration. The often reform-inspired movements that forced through the adoption of freedom of expression and freedom of association emphasised the contract, the bond, between God and people more than the direct relationship to everyone found in the creation perspective. The theory of a contract is reflected in human rights. The legally binding agreements are called conventions and the concept of a contract between the state and its citizens is an important fundamental concept for human rights.

**A THEOLOGICAL PERSPECTIVE ON SOCIAL PROTECTION**

The belief that God created everyone equal constitutes a challenge to all injustice. Inequality and discrimination become something to fight against. As human beings we have certain things in common that mean that we belong to a wider community and a larger narrative in which everyone is of equal worth. If all people are created unique, in God’s image, they all also reflect the holiness of God. Church father St. Augustine (354–430 A.D.) said that man is like other men and at the same time unique. The creation belief is of great importance to Lutheran theology in that it reminds us that all people are created in God’s image. All people encounter sun and rain, joy and misfortune, whatever their religious affiliation or their outlook on life. For Luther this was mainly a theological insight that did not immediately change society which remained patriarchal with often hierarchical roles for citizens. In a longer time span this theology, however, also influenced the view on humans in society and, thus, politics.

Today creation is increasingly becoming an argument for openness to the whole world, where everybody has a responsibility for all people and not only for those who live in the same municipality or the same country. However, how this responsibility is to be organised is the big question that underlies all the efforts of global society to combat poverty and encourage sustainable development – whether this is through the Millennium Development Goals, global environmental conventions, ethical standards for international companies, or strategies for how human
rights are to be realised. This is a major challenge in a world where capital can be freely moved between countries and continents while people cannot.

Belief in a God who created heaven and earth means that it is self-evident to see physical wellbeing and restitution as part of salvation and healing. Irenaeus, a church father who lived between 130 and 202 A.D., criticised the gnostic movements that claimed that God cared only about the soul and spirituality. He emphasised the importance of creation but also the idea of salvation as growth towards maturity and perfection. This was a revolutionary thought. It hints that salvation incorporates healing for all. The kingdom of God is about restitution and growth for people everywhere, not just where we may happen to live. The vision of the healing of earth, air and sea is also part of this view. Establishing and protecting human worth and the opportunity to become more human is part of Christian faith. Once convinced of this, the step to protecting the rights of every human being is not a great one. One of these rights is also the right to financial support to make it possible to live a dignified life even when you are unable to support yourself for various reasons.

From a conservative Lutheran approach it is possible, but not constructive, to argue against social protection systems by citing the individual responsibility of each human being. One can then cite Lutheran ideas that we may be equal before God but not in society. There the old hierarchies remain because they are part of the reality of sin. Before God, coram Deo, we are all equal but not towards each other, coram hominibus. We are all saved by grace but this is not something that affects the structures of society.

Such a static view is however deeply questioned and repudiated today. Instead it is claimed that the Christian faith and its message of love is a prophetic force to reshape, not only the attitudes and mental states of individuals but also that of politics. If we are created as God’s beloved creatures this is something that also needs to transform society. Here the church is needed as a prophetic voice that asserts the demand to protect particularly the disadvantaged. In the Lutheran concept of vocation, people have a shared responsibility for other people in daily life. This is not a specific task of the church. The task of the church is, however, to interpret life and in its preaching help people to realise that they are the servants of God when serving their fellow human beings. This also means that the work itself can be carried out by Christians and by others side by side. Such an interpretation has been, and still is, an important inspiration for general welfare.

CONCLUSION
As we have seen above, the development of the welfare state has been influenced by Lutheran theology. The theological approach is that God has no need of good works. God does not need to be placated and humans are free in relation to God. Fellow humans, however, need good works. It is about receiving the gifts of God in trust – forgiveness, but also all other gifts in life such as food, health, work, love, enjoyment, play and community. To receive life and everything good as gifts opens the way for an economy of sharing, solidarity, abundance and joy. God does not need any works but our fellow human beings and the world do. Christian faith is an invitation to celebrate life together.

Standing guard over welfare for all is a natural Lutheran approach derived from the belief in creation and the stories of the gospels about Jesus, who healed and restored people wherever he went. The church is called to continue his work for the whole world.

Today the rights-based approach is a central part of Church of Sweden’s theology and practice. Guiding documents have set out that international work must be based on a human rights perspective. This also has a major impact in parishes and dioceses. From a human rights perspective, but also from a creation theology, evangelical and eschatological perspective as set out here, it can be asserted that the Church of Sweden should work to ensure that people in poor countries are also able to share social security and be guaranteed a minimum material standard of living and thereby a dignified life for all. Expecting the kingdom of God (the eschatological perspective) means working for and living the vision here and now. Sharing bread and wine is more than a symbolic feast. It is a sign to the world.

What responsibility do the parishes therefore have for welfare at a time when the responsibility of the state appears to be on the wane? Is prophetic criticism of deficiencies in central and local government sufficient or should the parishes provide welfare services? It is
self-evident that the church also has responsibility
for the physical body and for ensuring that physical
needs are met. The form this responsibility should
take, however, is not self-evident. It is important not
to end up in new forms of paternalism, where some-
one else makes decisions over the heads of the people
concerned. People’s own initiative and creativity must
be taken seriously.

The church must constantly rise to meet new chal-
lenges. Today theologians, as do neurophysiologists
and doctors, increasingly criticise the division be-
tween the physical and the spiritual. The church talks
about salvation as healing the whole person. From
that perspective we need to be ever open to new op-
portunities to make life more humane for all.
Afterword

The idea of giving general and unconditional cash grants may be challenging at first sight: we can’t just give people cash in the hand. After all, development cooperation is founded on the idea of moving people away from a dependence on hand-outs. But cash benefits and other social transfers are based on rights, not charity. From a rights-based perspective, disadvantaged people have the right to regular and predictable cash grants. Studies show that such grants do not make people passive, but give people with minimal economic resources opportunities to make their own decisions about their lives and set their own priorities. The grants are generally used to improve the family’s diet, send children to school and for investments to increase the family’s income.

The social protection debate challenges the working methods and identities of development organisations on a very concrete level. How have we as donors acted in the past and what are our views on the ability of poor people to handle money themselves?

We are used to carrying out or financing projects. Instead of giving people cash in the hand, and trusting them to spend it in the best way, we tend to organise activities and investments. This may be good for building infrastructure, introducing new ways of thinking and new technology, but it is possibly not always the best means of reaching the very poorest of all and reducing poverty in its most explicit form.

For many years the Church of Sweden has been working to combat poverty by supporting the work of its partners in developing countries. The social protection debate sheds new light on this work. In particular, we recognise the role we and our partners have in relation to the governments: the responsibility of the state is fundamental and the role of civil society is to help, by various means, to develop social protection and ensure that it is put in place so that it really benefits disadvantaged people.

Many of the Church of Sweden’s partners are involved in this work in ways that have not always received or drawn attention. In particular they are helping people to share in the social protection systems that do exist, blowing the whistle when corruption is found, or helping to implement social protection systems based on a local presence and capacity. It is now important for us to make this work visible and together with our partners to deepen understanding of the role they play and have the potential to play in relation to state-run social protection systems. What opportunities and risks can we identify?
One of the most important roles of civil society is to form opinion and influence government policy. We know that churches and church-related organisations can play an important role in the social protection debate. Several of our partners have long been deeply involved in the national debate on social protection. The South African Council of Churches and the organisation Black Sash, both long-time important partners of the Church of Sweden, were, for example, active in the debate on a basic income grant in South Africa more than ten years ago, a debate most explicitly expressed in the pilot project in Namibia described in this report.

Discussions of social transfer systems easily become party political. This is not unexpected as the design of social protection systems affects all people and will always be a central element in political debate. However, this need not obscure the underlying picture of broad consensus on the fundamental importance of social protection systems in society. In the same way that the decision to introduce a universal state pension in Sweden was made in broad unanimity in 1913, a hundred years later it ought to be possible to find cross-party backing for making support for building up social protection systems a central feature of Swedish aid to developing countries. Or why not, as one of the authors in this anthology proposes, an initiative for a campaign for global child allowance and a global old age pension?

Erik Lysén, Director of international affairs, the Church of Sweden
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Sven E O Hort: *How did Sweden do it?*

**The development of the Swedish welfare state**


**Elisabeth Gerle: The church and welfare**


Cash in the hand – child benefits, pensions and other cash grants – effectively reduces poverty and hunger. This has been shown by experiences from a number of developing countries. Even small grants mean people are able to eat more and eat better, become healthier and allow their children to attend school.

Sweden's history shows that social protection is needed to give everyone a tolerable standard of living and ensure stable social development. Despite this, Swedish ODA has not supported the development of such systems in developing countries. This publication discusses the role social protection can play in the fight against hunger and poverty, and what different stakeholders can do to promote the development of social protection.