

# A Universal Social Minimum: A Recipe for Social Justice or 'Apple Pie in the Sky'?

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## 1 Introduction

The notion of a 'universal social minimum' is a welcome and provocative intervention in the social protection debate. While the initial thinking on social protection focused on providing income- or consumption-based 'safety nets' and economic risk management, the universal social minimum places equity and rights squarely at the centre of the social protection agenda. This moves the approach decisively away from top-down approaches, based on 'residual welfarism' and towards bottom-up approaches, based on empowerment and agency. Those of us who were concerned about the relative neglect of the 'social' in 'social protection' can only applaud a vision that starts with the social, and only incidentally concerns itself with the economics of risk and of social protection provision.

So, it is impossible to disagree with the universal social minimum as an ideal – like motherhood and apple pie. But does it all add up in reality? What precisely is the 'social minimum' anyway? How is it going to happen? Does this recipe for universal social justice have any ingredients, or is it just half-baked apple pie in the sky? In this brief comment, we raise some questions and offer suggestions for further thinking.

## 2 A confused discussion about inequality

Koy Thomson argues that inequality provides a justification for paying attention to people at the bottom. Tackling inequality requires the establishment of a social minimum. But what is the ultimate vision of the social minimum? Is the vision to establish equality of opportunities or of outcomes? The text seems to obfuscate the *causes* of (in)equality – the things that perpetuate or change the distribution of income or

assets – as opposed to the *outcome* of those causes, which is measured inequality. Is this a question of final distribution or fairness of opportunities? Is it not that some level of inequality is good for 'pro-poor' growth? What sort of opportunities should be made more equal and what implications would this have for future poverty reduction and risk management? For example, cross-country studies confirm that land equality does not necessarily lead to higher levels of productivity (see Lipton *et al.* 2002 and Sabates-Wheeler 2005 for reviews of the evidence). In their contributions to this *IDS Bulletin*, Michael Carter, Christopher Barrett and Stefan Dercon all point to the existence of low-level productivity traps that require substantial targeted asset transfers to escape from. Is the ideological egalitarianism of the social minimum opposed in principle to giving some people a hand-up out of poverty?

It is also important to be very clear about what inequalities and inequities matter for the poor. This is to a large degree an empirical question. Recently, a clear distinction has been made between the effect of income inequality on growth vs. asset inequality on growth. Evidence indicates that the empirical link between asset inequality and growth is strong and negative. For instance, there is wide consensus on feedback to growth from equality of access to education, initial land distribution (Birdsall *et al.* 1995) and to operated farm land (Deininger and Squire 1998). Birdsall and Londoño (1997) venture that 'the effect of income inequality on growth apparently reflects differences in a fundamental element of economic structure, namely, the access of different groups to productive assets'. Importantly, their econometric work shows that any effect of income inequality disappears once asset inequality is

accounted for. Overall their findings show that an unequal distribution of assets, especially human capital and land, affects overall growth. It affects income growth of the poor disproportionately. A better distribution of assets increases the income of the poor, increases aggregate growth and reduces poverty – but (this evidence suggests), better income distribution, without asset redistribution, will *not* accelerate income growth.

### **3 What is the resource envelope for social rights?**

There is little point in conferring rights and entitlements in theory, if they cannot possibly be realised within existing public budgets. There are two issues here: (1) the level at which the right is provided (the nation-state or the global level) – if a government is unable to deliver a social minimum can we call on a ‘Global Social Protection Fund’ to do so, in the name of global public goods provisioning? (2) An ethical issue of whether we focus on rights or duties – this will determine the policy response. A focus on rights necessarily centralises the establishment and provision of a bundle of goods, whereas a focus on duties to protect and care for fellow citizens/humans may instead decentralise the burden of provision to communities, faith-based organisations, etc. The model of social protection here would be one of discretion and charity which would require long-term commitments of communities to care for their poor and vulnerable members. Perhaps this discussion needs to be framed in terms of duties rather than rights?

### **4 Who determines ‘decent’ and ‘dignified’?**

Debates and disagreements over ‘universal’ and ‘relative’ or ‘context-specific’ rights and responsibilities also apply to notions of what constitutes ‘decent’ and ‘dignified’. This may create problems for establishing a global social minimum. For example, in some societies, education of girls is not considered a priority. Can ‘we’ insist that ‘they’ include girls’ education in their social minimum, without being labelled neo-colonialists or cultural imperialists?

### **5 What is the final vision of the universal social minimum?**

From our reading of Koy Thomson’s article, the vision would include fairness in opportunities to all, provision of basic public services and the means to a decent living for those who are unable to take advantages of the fairness in opportunities.

Furthermore, there would be an emphasis on enabling the ‘less advantaged’ to progress into full and equal members of society. Ring any bells? An astute reader may be forgiven for asking if socialism hasn’t already been attempted on a massive scale – and failed massively. In the Soviet central planning model, social protection and the provision of a social floor for all citizens was central. In fact, the reality of the socialist model was never more apparent than in the 1980s when Gorbachev began to talk of ‘perestroika’ and ‘glasnost’ as the way forward.

Equalising attitudes crop up from time to time even today. Some citizens understood the call for social justice as ‘equalising everyone’... On this point, we want to be perfectly clear: socialism has nothing to do with equalising. Socialism cannot ensure conditions of life and consumption in accordance with the principle ‘From each according to his ability, to each according to his work. This will be under communism’.  
(Gorbachev 1987: 100)

Why was the vision for universal social protection unachievable, or unsustainable, in the Soviet Union, in Eastern Europe, in China, in North Korea? Where something close to this ideal does exist, as in Cuba, are the social and political costs too high? Are there lessons to be learnt for the pursuit of a social minimum? Thomson might argue that the universal social minimum constitutes ‘socialism in reverse’ and as such should not be compared with the failed soviet model. It is reversed because the political commitment to a social minimum will be built from the ‘bottom-up’ rather than imposed from the centre. The nature and degree of social protection under the soviet system was not chosen on the basis of revealed preferences, but determined paternalistically by those in power, who were unlikely to be beneficiaries of any welfare payments. The result was a low quality, allocatively inefficient benefit system, which stifled individual incentives, bred corruption in a bureaucratic leviathan, and generated alternative pathways to privilege and inequality.

Or perhaps Thomson has the ‘Nordic model’ in mind, where high levels of taxation finance high levels of benefits for all. But the Nordic countries are also high-income countries, with a large fiscal basis available for redistribution to achieve social goals on which there is a broad social consensus. Where does this reality leave poorer countries?

## 6 Where is the political constituency for a universal social minimum?

There is an enormous bandwagon behind social protection right now, with cash transfer projects being piloted and national Social Protection Strategies being drafted in countries across Africa and beyond. But the drivers of almost all these initiatives are bilateral or multilateral donors and international NGOs, not national governments, and certainly not local civil society. Besides, a social minimum goes far beyond the mandate or capacity

of external actors to deliver. It requires a social contract within each country – constructed from political will by governments, and political pressure by citizens – to drive this agenda forward. In this sense, the ‘campaign’ for a universal social minimum is part of a broader push for democratic deepening, in countries where democratic institutions and political accountability are often as fragile as the macro-economy and administrative capacity. A lot of ingredients are needed to bake this particular apple pie!

### References

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