

A 'Vision' Thing? Debate and Difference within the OECD-DAC Poverty Network Approaches to Social Protection

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Timo Voipio's contribution to this *IDS Bulletin* is useful on two different levels. First, it sketches out some of the main elements of the OECD's DAC-POVNET thinking on social protection, as it has emerged from ongoing discussions carried out by its Task Force on Risk, Vulnerability and Social Protection. And second, it contains an interesting sub-plot about competing approaches to social protection, and the compromises entailed when institutional actors with somewhat different philosophies and agendas come together to agree a common approach to the challenge of social protection in poor countries. This is made more interesting by the fact that the actors in question, as members of the club of the world's richest countries, include the largest and most powerful donor governments, and the OECD-DAC is one of the few places where many of them agree to participate in dialogue. It is from the interests and perspective of these countries that the dialogue takes place and it is only once the basic elements of a common framework have been agreed, however tentatively, that development partners in the Global South are brought into the discussion.

Rich countries have a strong stake in the formulation of a social protection agenda for poorer countries since they are likely to be called on to share some, sometimes the bulk, of the costs entailed. Consequently, this way of proceeding is a logical one. However, there is always a danger that if the diversity of ways in which risk and vulnerability are manifested in the developing world is not considered at the outset, certain possibilities and priorities will be ruled out prematurely.

A first impression on reading through the article is reassuring. The focus on the multidimensional nature of poverty (Figure 1), the place accorded to 'empowerment' and 'opportunity' along with 'social protection' as key elements of pro-poor growth (Figure 2) and the diversity of ways of thinking about social protection (Figure 3) all suggest that fairly broad parameters were set for the discussion. However, it is also evident from Voipio's account that these concepts were interpreted very differently by its main protagonists, giving rise to what he calls the 'Nordic risk management framework' and the 'World Bank risk management framework'.

This tension is illustrated by Figure 3, which reports on five different elements making up the programmatic approaches to social protection taken by different donor countries and agencies within POVNET. There is a large degree of consensus over these elements. Supporters of both the Nordic and World Bank approaches include social transfers for the very vulnerable, safety nets to prevent declines into deeper poverty and social insurance as a precaution against risk within their social protection programmes. In addition, both groups concur on the possibilities, however unintentional, offered by macro-level policies in reducing levels of risk at the broader level. The single element over which there is dissension in Figure 3 is commitment to basic social security for all sections of the population, vulnerable as well as non-vulnerable. It is the inclusion of this universalist commitment within the Nordic Comprehensive Social Policy approach, and its exclusion from the World Bank's residualist approach, that distinguishes the two frameworks.

Voipio explains this difference in approach partly in organisational terms. He suggests that for large agencies like the World Bank, the EU, DFID and the ILO, the comprehensive approach espoused by the Nordic countries may appear ‘confusingly broad’ because they themselves are large enough to think and operate sectorally, with social protection as a separate, specialised sector of professional expertise. He also suggests that it reflects tensions between advocates of more ‘econometric’ ways of thinking and those supporting a more ‘social’ approach. However, it is obvious that these differences are also a ‘vision’ thing. The inclusion or exclusion of a commitment to universal provision of basic security serves to radically differentiate, not only the content of the social protection strategy on offer, but the vision of society that it embodies and seeks to ‘protect’.

The absence of any kind of universalism in the provision of social protection within the World Bank framework is premised on, and promotes, a vision of society in which individuals and households pursue their livelihoods through market competition, in an environment in which new sources of risk associated with the liberalisation of economies are compounding long existing ones. Macro-policies may have the effect of containing some of these risks but this is likely to be unintended since, as we know, the primary goal of most current macro-policy is to create a favourable investment climate for international capital through exactly the kind of flexible labour markets that offer the least security to the poor and vulnerable. As a result, the main source of protection for those who can afford to contribute the necessary premiums is market-based social insurance, while the rest must rely on publicly provided targeted social transfers and safety nets. From an affordability perspective, this has the advantage of focusing scarce public resources on those who most need it without dampening the incentives for risk-taking on the part of those who can make the market work for them. The World Bank’s framework is most likely to have been supported on the Task Force by countries like the USA and others that have promoted similarly residualist approaches to social security in their own countries.

The Nordic approach is likely to have been promoted within the Task Force by Sweden and Norway, and is rooted in their own distinctive experiences. Factoring the universal provision of basic security into the design of social protection offers a citizen-centred vision of society, one in which all members,

regardless of who they are, build their lives and livelihoods on a shared and guaranteed foundation of security. Whereas the down-side of targeting is that it is divisive, prone to leakage and often stigmatises socially excluded groups,¹ universal provision has the potential to unify, to contain inequality and thereby to make for greater social stability. Universal entitlements also help to build a culture of rights and accountability, creating ‘political demand’ among those who cannot exercise effective market demand.

It could, of course, be argued that most poorer countries may not be able to afford the full range of basic goods and services included within the Nordic framework in Figure 3, viz. food, health, housing, education, skill development and labour market security. However, an incremental approach is possible which begins with the most critical (food) or most widely shared (health) needs and builds gradually on this base. In addition, universal provision can reduce the need for safety nets and social transfers if it addresses the basic needs deficits which underpin a great deal of vulnerability and social exclusion.

However, universal provision of basic security does not rule out the need for contingency-related measures, and here the social transfers, safety nets and social insurance which make up the shared programmatic agenda of the Task Force come to the foreground. It is evident that the deliberations of the Task Force about these measures are framed by the POVNET’s ‘Overarching paper on pro-poor growth’. The ‘growth’ discourse dominates the discussion although the compromise wording of ‘participating in, contributing to and benefiting from growth’ suggests that growth concerns were not being too narrowly defined.

It is, of course, essential that growth concerns are factored into the analysis and design of social protection, since growth provides the resources that will allow social protection measures to be financed domestically and reduce aid dependence in the longer run. The ‘springboard’ role of social protection in providing sustainable trajectories out of poverty is clearly recognised in the discussion. As Voipio points out, improving the capacity of the poor to manage risk allows them to engage in higher profit/productivity livelihood activities and reduces their reliance on debilitating forms of crisis coping strategies. The solution here lies in deepening insurance markets through public-private micro-insurance and re-insurance arrangements.

The idea of social protection as a springboard is an important one. It has the virtue of paying attention to the causes as well as symptoms of poverty. It serves to link social protection strategies to the broader development agenda, rather than treating them as a stand-alone set of interventions. For countries battling with poverty, inequality and social exclusion, a failure to conceptualise social protection in a way that addresses these broader challenges would undermine the path to sustainable, pro-poor growth (Kabeer 2006). However, the programmatic approaches which dominate the donor agenda remain largely defined in a 'commodity' rather than a 'capability' space (to use Sen's terminology), and springboards are conceptualised purely in relation to income poverty. The only reference to capabilities is in relation to cash transfers to the poor that are conditional on (in effect) mothers' cooperation in sending children to school and health clinics.

Yet it is possible to think about social protection as a 'springboard' to some of the other goals of development. Although cognisant of gender and other social inequalities, it seems that the Task Force did not pay a great deal of attention to the asymmetries of power which keep large sections of the poor silent and subordinated and constantly undermine the effectiveness of larger developmental as well as more specific social protection efforts. If poverty is indeed multidimensional and incorporates lack of voice, respect and dignity as well as lack of money (Figure 1) and if empowerment and inclusiveness are critical to a pro-poor growth trajectory (Figure 2), we have to ask ourselves what this implies for programmatic thinking on social protection.

I would suggest it implies that as much attention should be paid to how protection measures are designed and implemented as to what measures are adopted. Ensuring greater responsiveness and respect in the design and delivery of programmes would do a great deal to improve their outreach without entailing major costs. I would suggest also that it implies going beyond a static understanding of 'capability', which tends to be equated with health

and education, and incorporates a more dynamic interpretation which seeks to enhance the 'doing' as well as the 'being' elements of Sen's definition. This, in turn, might mean going beyond the focus on individuals, suggested by money-metric approaches to poverty, to consider the group-based forms of disadvantage (caste, ethnicity, religion) that underpin long-standing relations of social exclusion among the poor in different contexts. Designing social protection to not only address basic needs and contingencies but also to build the collective capabilities of the poor to know their rights and entitlements, to free themselves from the clientelism which characterises many informal safety nets and to claim their place within society is a critical precondition if even the more conventional social protection measures are to realise their full potential. It will also have lasting implications for the kind of society that evolves.

It may be that 'springboards', with their connotations of social change as a sudden leap, is not an appropriate metaphor for what we are talking about here. My preferred metaphor is a more organic one: planting the seeds of change in social protection and nurturing the process. However, language issues aside, the more important point I would like to conclude with is that the programmatic agenda on social protection generated by the POVNET Task Force seems to fall short of its conceptual thinking. The good news is that this is work in progress and there is scope for other voices to be heard in the dialogue. There is scope also to look wider afield for lessons from good practice. Here the Task Force might wish to look towards the history of collective action by the working classes in Nordic countries that led to the adoption of universalist provision rather than focusing only on the measures themselves. It might also turn its attention to some of the more successful examples of collective action and struggles over social security and citizenship rights in the poorer countries of the world. This would ground its future deliberations in a deeper understanding of the relationship between voice, social protection and citizenship, which is fundamental to a democratic vision of pro-poor growth.

Note

- 1 But see Hoddinott in this *IDS Bulletin* for the 'upside' of targeting (Editor's note).

Reference

- Kabeer, N. (2006) Poverty, Social Exclusion and the MDGs: The Challenge of 'Durable Inequalities' in the Asian Context, *IDS Bulletin* 37.3: 64–78