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Social protection, inequality and social justice



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55. Social protection, inequality and social justice

Keetie Roelen, Rachel Sabates-Wheeler and Stephen Devereux

Social protection refers to a range of policies that explicitly aim to reduce poverty and vulnerability, and which have the potential to be redistributive. This contribution argues that social protection can significantly contribute to reducing inequality and social injustice, particularly when it is designed and delivered in conjunction with complementary initiatives. Emerging evidence from middle and low-income countries makes a compelling case for social protection's positive impacts on addressing both material and non-material inequalities.

Introduction

Social protection is a suite of policy instruments that explicitly aims to reduce poverty and vulnerability and has the potential to be redistributive. While narrow 'residual' definitions focus on its safety net and social welfare functions, expanded 'rights-based' conceptualizations emphasize its ability to address social injustices, by reducing material and non-material inequalities and promoting social inclusion and universal access to essential social services. This contribution makes the case that social protection can be a powerful tool for reducing inequality and social injustice, particularly when it is designed and delivered in conjunction with complementary initiatives. We review the evidence for social protection impacts on both material and non-material inequalities.

Evolution of social protection

In the past decade, social protection has become an essential element of development interventions and social policy. *Figure 55.1* shows that by 2012, the number of countries in the 'developing world' with social assistance programmes had risen to over 160, from under 20 in 1990. Since the 1990s, social protection has evolved to include a wide set of policies that aim to offer protection against the experience of poverty, to prevent people from falling into poverty, to promote people out of poverty, and to address structural inequalities that lock people into poverty (Devereux and Sabates-Wheeler, 2004).

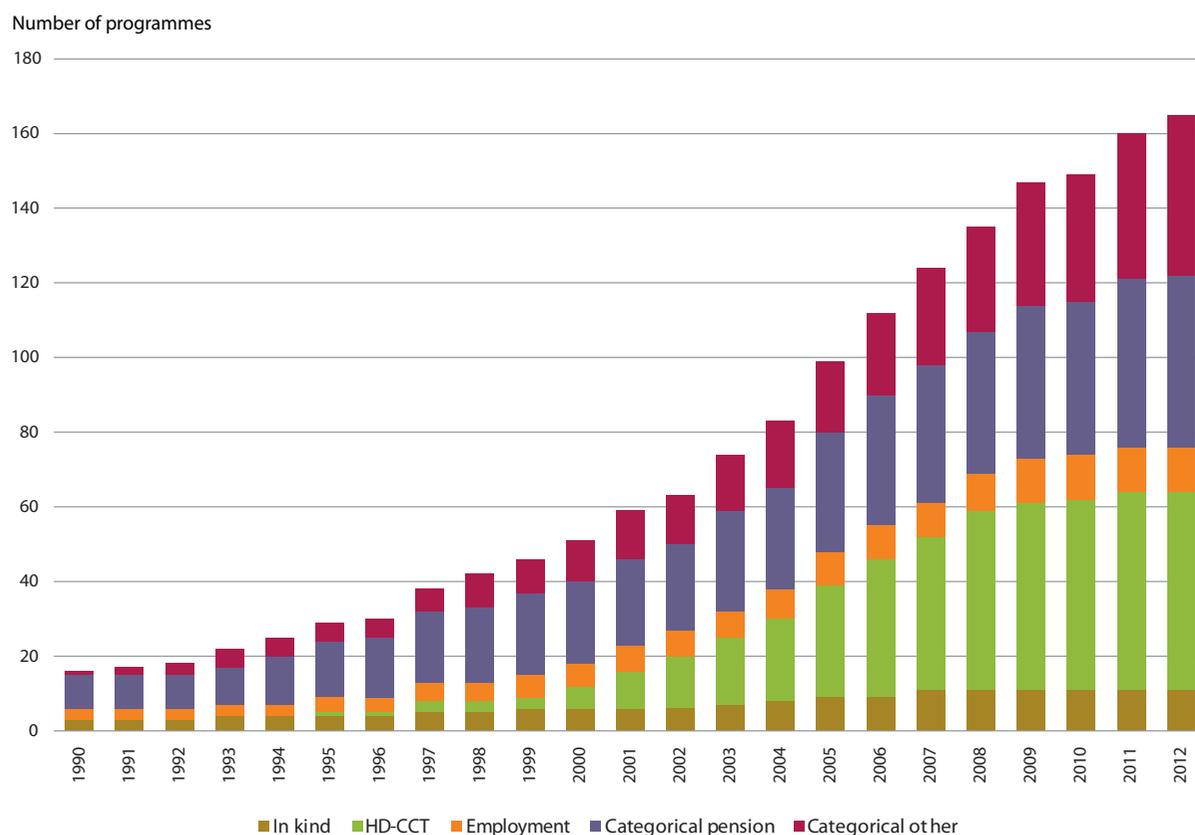
Popular instruments include social transfers, encompassing unconditional cash or in-kind transfers (including child grants, social pensions and school feeding); conditional cash transfers (CCTs); public works; social insurance schemes; and more recently, broader graduation programmes. The current popularity of graduation programmes reflects the growing acknowledgement that the desired impacts of traditional social protection instruments are best achieved when they are delivered in conjunction with a variety of other multisectoral interventions such as nutrition support, savings and loan programmes, and training.

Social protection, and social transfers in particular, are being called upon as a tool in the fight against inequality, from both a material (income and consumption) and a non-material (such as access to services, social exclusion) perspective.

Material inequality

Evidence about the impact of social transfers on material inequality in low and middle-income countries is scarce but expanding, particularly in middle-income countries. South Africa's longstanding experience with social grants offers compelling evidence. The combination of social grants (including the old age pension, child support grant and disability grant) has a modest but significant impact on inequality. Samson and colleagues (2004) found that social grants reduced the national Gini coefficient from 0.63 to 0.60 in 2000 (see *Figure 55.2*).

Figure 55.1 Social assistance programmes in the 'developing world', 1990 to 2012



Note: HD-CCT = human development-conditional cash transfers.

Source: Barrientos et al. (2010).

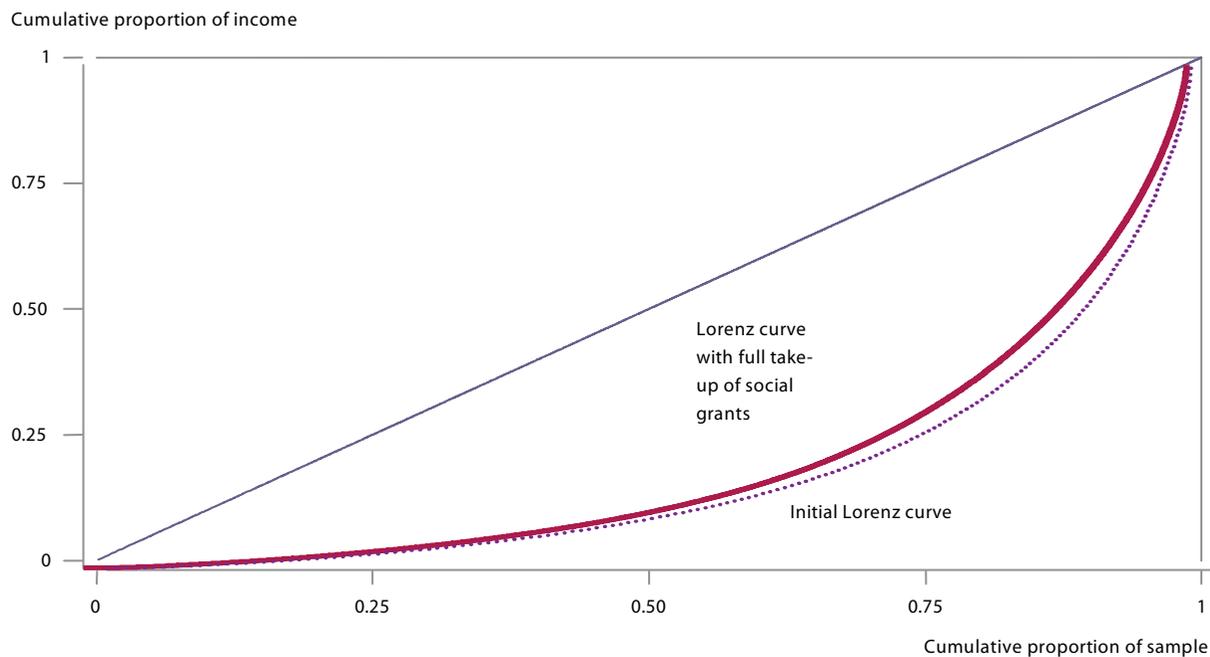
This impact increased over time, with social grants contributing to an overall reduction in the Gini coefficient of 0.02 in 1995 compared with 0.05 in 2005. The impact has been differentiated for specific population groups. In 2005, the Gini coefficient among the White and Asian population was reduced by 0.01 compared with 0.04 for the Coloured¹ population and 0.10 for the African population as a result of social grants (Bhorat et al., 2009).

Latin America's experiences with CCTs also suggest an important role for social transfers. In Mexico and Brazil, the Oportunidades and Bolsa Família programmes were responsible for 21 per cent of the reduction in income inequality between the mid-1990s and mid-2000s (Soares et al., 2009). This makes CCTs the second most powerful driving force behind decreasing inequality after labour income (Soares et al., 2009).

The distributional impact of social transfers on income relies heavily on coverage and levels of spending. Significant transfer values, adequate coverage of

the poorest population and effective targeting (Lustig et al., 2012; Bastagli, 2015) can ensure that social protection makes a significant contribution to reducing inequality. In Argentina, 90 per cent of the poor and indigenous population receive some form of cash transfer (Lustig et al., 2012), contributing to a reduction of vertical and horizontal income inequalities. In South Africa, the increasing impact of social transfers on inequality over time can be attributed to expansion of coverage, and increased expenditures on social spending (Bhorat et al., 2009).

By contrast, limited reductions in material inequality are to be expected from schemes with relatively low coverage of poor and vulnerable groups and modest transfer values, typical of low-income countries. Yet the continuing expansion of social protection shows promise for its role in tackling inequality. Ethiopia's Productive Safety Net Programme (PSNP) is a case in point. The PSNP provides food-insecure households with a transfer in lean times to avoid asset depletion and protect livelihoods.

Figure 55.2 The impact of social grants on income inequality in South Africa

The diagonal line illustrates perfect equality: 10 per cent of the population get 10 per cent of national income, 50 per cent of the population get 50 per cent of national income, and so on. The outer 'initial Lorenz curve' shows how unequal the distribution of income is in South Africa without social grants – the poorest 75 per cent of the population get less than 25 per cent of national income, while the richest 25 per cent get more than 75 per cent, for instance. The inner 'Lorenz curve with full take-up of social grants' shows how the distribution of income moves visibly towards the line of perfect equality, thanks to income transfers to the poor.

Source: Samson et al. (2004) based on Statistics South Africa Income and Expenditure 2000 data.

Transfers are provided directly or through a public works component. Spending on PSNP transfers and food security programmes is the most progressive of all types of social spending in Ethiopia: 58 per cent of transfers go to households below the national poverty line and 66 per cent of all transfers are concentrated in the bottom two quintiles of the income distribution (World Bank, 2015). The joint distributional impact of tax and social welfare in Ethiopia reduces the Gini coefficient by 2 percentage points, largely due to the progressivity of social spending and the PSNP in particular (ibid.). As this impact on inequality is achieved against a backdrop of wide coverage (10 million people, or 11 per cent of the population), modest transfer amounts, and imminent tax reform, the potential for social protection to reduce inequality in low-income countries becomes evident.

Non-material inequality

The ability of social protection to tackle non-material inequalities is much more complex than the issue of social transfers. This is because vulnerability and exclusion are grounded in social norms that dictate access to resources in terms of social categories. Access constraints exist because of a range of factors, including lack of income, self-exclusion, lack of knowledge of processes, lack of information, positive discrimination and cultural norms. Different social protection interventions and programme design features can be successful in removing some of these constraints, enabling otherwise excluded and marginalized individuals to participate, and claim benefits and services.

Unequal access to knowledge and information leads to inequities in the uptake of social protection. In fact, 'specified [social protection] entitlements and rights are only as useful as the access structures that surround them. Much of this turns on the ability of individuals/households to establish and persuade providers of their eligibility for the resource' (MacAuslan and Sabates-Wheeler, 2011, p. 83). In other words, the sociopolitical structures that allow access to social protection are highly relevant to marginalized and excluded groups, and are often much more difficult to overcome than material barriers.

Sensitization and training events are critical to ensuring that households know what they are entitled to, how to access it and how to use their resources effectively and efficiently. Information barriers to social provision also apply to simple instructions about how to use a health-care provider, or how and where to register for a programme. For instance, potential beneficiaries often fail to access social protection programmes because they are unaware of the registration procedures. In Colombia's *Familias en Acción*, for example, local officers of the national registration agency are present at the enrolment of new beneficiaries by the programme agency in order to speed up and facilitate participant households in meeting this requirement. Parents or care givers can obtain the certificates needed for enrolment in the programme without spending additional resources on travelling to different places (Barrientos et al., 2013).

Notwithstanding the complexities, a recent qualitative study on the South African child support grant (CSG) (Adato et al., 2016) highlights how material provision is closely connected with non-material status, and how improvements in material status can alleviate social barriers. The CSG is able to partly counteract the powerful non-material drivers of education choice for adolescents. 'One of these drivers is shame related to poverty: for poor children, the food they bring (or don't bring) to school, the quality of their clothing and shoes, and their hairstyles can be significant sources of embarrassment, even keeping them away from school' (Adato et al., 2016, p. 1133). Adolescents can convert social protection in the form of cash into symbolic capital which facilitates inclusion into social networks and ultimately into opportunities that convert to economic capital. 'That is, these status goods potentially increase the likelihood that children will show up and stay in school, allowing them access to the economic opportunities that education provides' (Adato et al., 2016, p. 1134).

But while material transfers can be used to overcome social barriers, there are also cases in which social barriers inhibit the translation of material transfers into reductions in inequalities. In Mexico the conditional cash transfer programme *Oportunidades* has increased access to education for children in participating households. However, evidence suggests that indigenous people face discrimination in the labour market that counteracts their education attainments. So improving the education of indigenous children does not necessarily translate into better job prospects and higher incomes in adulthood (Ulrichs and Roelen, 2012).

Kabeer (2010) pointed out that socially excluded groups face multiple, intersecting and mutually reinforcing inequalities, which operate at the cultural, spatial, economic and political levels (among others). One implication is that interventions that address only one source of inequality are unlikely to reduce poverty and promote social inclusion if other sources remain unaddressed. Research in Ghana and Rwanda has found that although cash transfers support the provision of kinship care to orphans, they do not address the existing inequalities between biological children and orphans (Roelen, 2016). Another implication is that targeted interventions are required to redress 'inherited inequalities'. These might include affirmative action measures and specially designed social protection programmes.

Sometimes positive discrimination (affirmative action), or simply removing a source of discrimination, can be sufficient to promote social inclusion and reduce inequalities. In India, programmes that target 'BPLs' (below poverty line) and scheduled castes attempt to reverse practices of social and economic exclusion (Kabeer, 2010). In South Africa, legislation was passed that prohibits discrimination against anyone on the basis of their HIV status. Because it prevents employers from requiring job applicants to take an AIDS test, HIV-positive people can now access work opportunities on equal terms with everyone else. Nonetheless, South Africa's extensive social grants system has been criticized as providing material compensation for systematic inequalities, rather than addressing these fundamental determinants of poverty and inequality directly, or being complemented by social and economic policies that do so.

Conclusion

In high-income and middle-income countries, social transfer programmes can be sufficiently comprehensive and generous to achieve measurable reductions in poverty and income inequality. In low-income countries, the coverage of social transfers is less comprehensive, and the amounts transferred to beneficiaries are too small to lift them out of poverty or to substantially reduce income inequality. Nonetheless, the Sustainable Development Goals (SDGs) reflect the emerging consensus that social protection can make a more significant contribution. SDG 1 refers to national social protection floors, which guarantee income security to all throughout the life cycle, as an instrument for poverty reduction. SDG 10 advocates adopting social protection policies for progressively achieving greater equality.

Even when social protection leads to positive impacts on measurable distribution outcomes, a more radical question worth exploring is whether, and to what extent, social protection programmes primarily serve a political function to placate the poor and their demands for economic and social justice, rather than being a genuinely effective mechanism for redistribution.

In terms of non-material inequalities, sensitively designed social protection interventions have some potential to help poor people overcome social exclusion and access barriers. SDG 5 sees social protection as a tool for achieving gender equality. But given the complex nature of the 'intersecting inequalities' that are faced by poor and socially excluded people, social protection alone should not be expected to achieve social transformation. Social protection must be complemented by other social and economic policies to achieve maximum impact in reducing both material and non-material inequalities.

Note

1. In Southern Africa, the term 'Coloured' is a contested ethnic label for people of mixed ethnic origin who possess ancestry from Europe, Asia and various Khoisan and Bantu ethnic groups.

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