ACCOUNTABILITY AND POLITICS IN SOCIAL SAFETY NETS
SOCIAL SAFETY NETS CORE COURSE

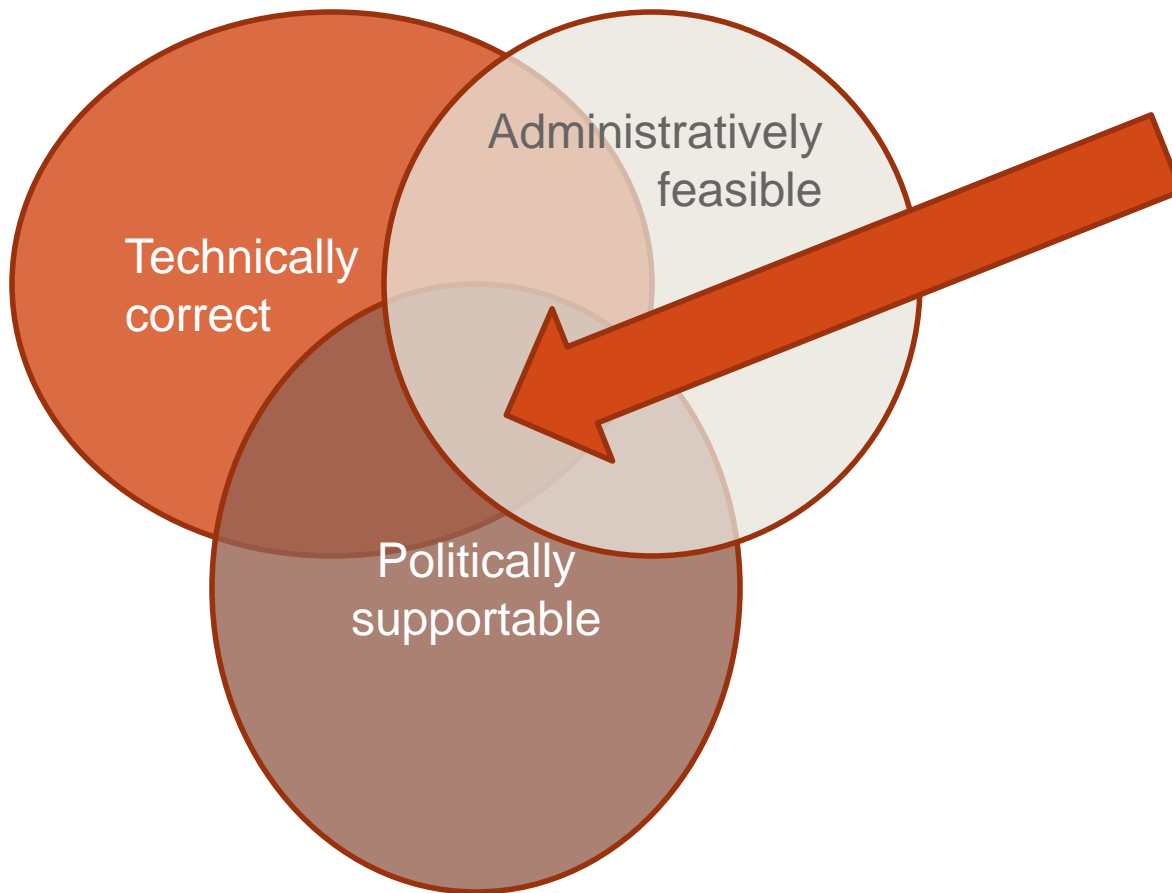Bénédicte de la Brière, World Bank

Dec 6, 2013

# Three elements of policy design (Pritchett, 2005)

Administratively feasible

Technically correct

Politically supportable

Achievable gains if …
the politicians, the technicians and the bureaucrats talk …
with the **citizens**

Outline

1. Attitudes and perceptions matter
2. Electoral politics and implementation: a three-legged race for central and local governments
3. Organizational politics
4. Accountability in the new social contract

1. Attitude and perceptions matter
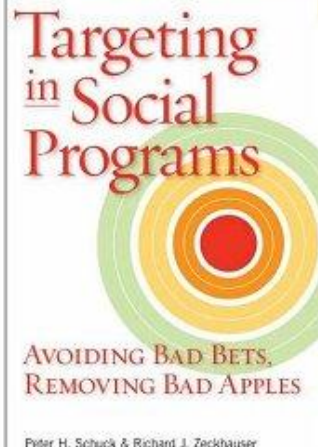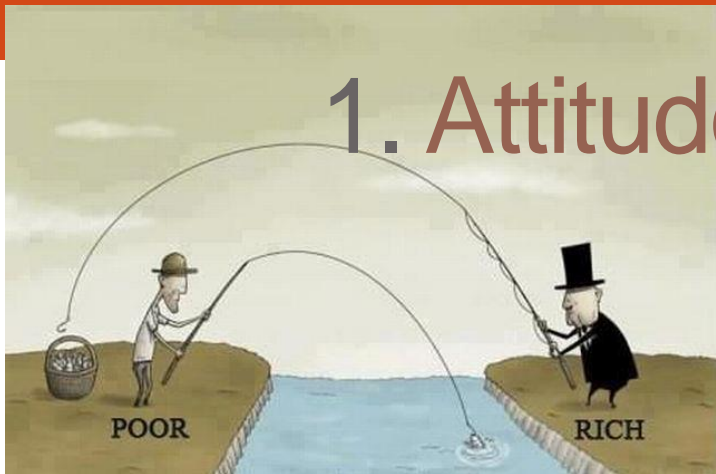
Who should provide safety nets?

- Wide variability across countries about
  - Extent of **collective responsibility** for those who are unable to provide for themselves
  - Attitudes about **distribution of opportunities** and government's role in equalizing opportunities and outcomes

What does the country need most to get ahead, productivity growth or redistribution
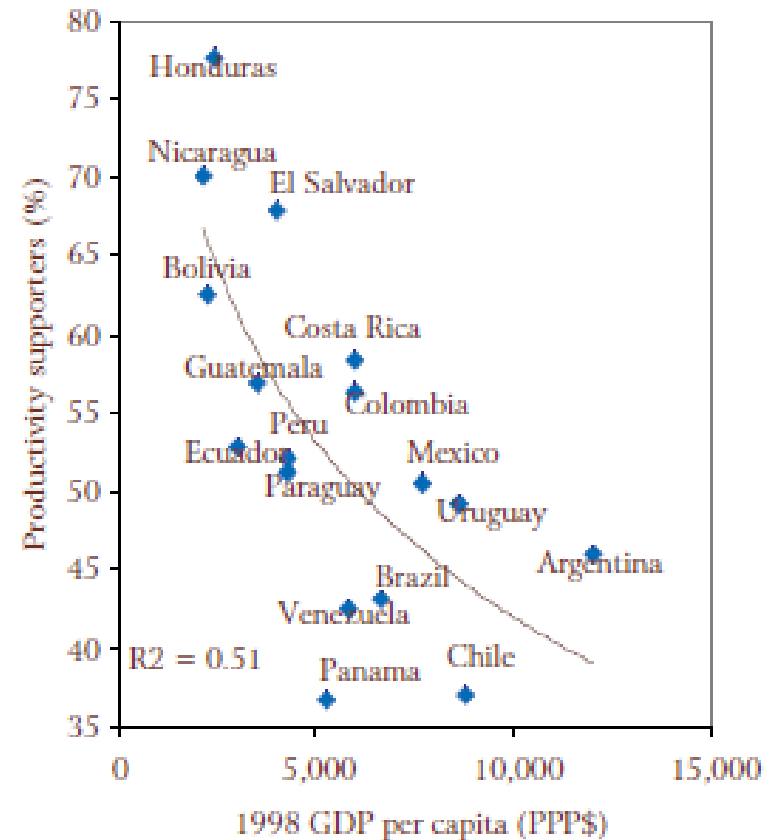
Source: Graham, 2002.

Who deserves assistance?

- More deserving if:
  1. Less in **control** of neediness
  2. Greater **need**
  3. Higher **identification**
  4. "Better" **attitude**
  5. Higher probability of **reciprocity** (past or future paybacks)
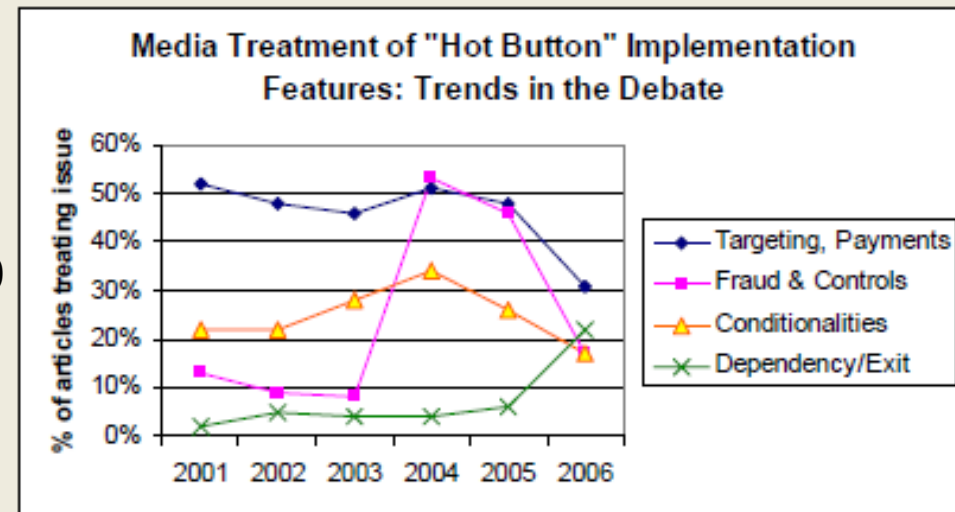
Who deserves assistance? (2)

- Matter for :
  - Narrow/broad **targeting**
  - **Regional** disparity
  - Racial/ethnic diversity
  - **We**lfare and **work**fare
  - Types of **interventions** (cash, in-kind, subsidies, "education", social work)

- The poor, the vulnerable and the middle class
- Do the "misfits" (i.e. Rom, children, single mothers) have rights?

What do the public (and politicians) care about?

The press paid more attention to inclusion errors in electoral periods

Source: Lindert and Vincensini, 2010

Media Treatment of "Hot Button" Implementation Features: Trends in the Debate

Les pauvres ont plein d'enfants pour gagner de l'argent

ASSISTÉS!

LES PAUVRES

Only 2% Failed Florida Welfare Drug Tests

Aug 26, 2011 2:18 PM CDT

2. Electoral politics and implementation: central and local governments

- Bolsa Escola (Janvry *et al*. 2005)
  - Study of 260 municipalities in the Northeast
  - Confusion about the roles of municipalities => heterogeneity of implementation
  - Greater electoral support if social councils existing, larger program coverage, low leakages to non-poor

- Corruption and votes (Ferraz and Finan, 2011 in Brazil)
  - Report of corrupt violations (CGU) decreases probability of re-election

Central and local governments

- Local knowledge vs. Clientelism
- Central design/local implementation
- Funding sources (taxes, donors)?

- Progresa/Oportunidades: started very centralized, now bringing states and municipalities back in
- Bolsa Familia: decentralized targeting based on allocations but centralized payments plus incentives
- CBT in Africa (make discretion explicit)
- Workfare more localized
- India: RTI as a way for local politicians to ally with citizens in controlling local administration.

Central and local governments

- Fairness and transparency
- Grievance redress mechanisms

- Fairness and horizontal equity
  - «Like be treated alike» :
- Process and administrative fairness
  - Appeals at different levels
  - Process to update eligibility
- Effectiveness and results
  - Narrow targeting
  - Importance of M&E and results dissemination
  - Managing expectations (donors, staff, gvt, public opinion)
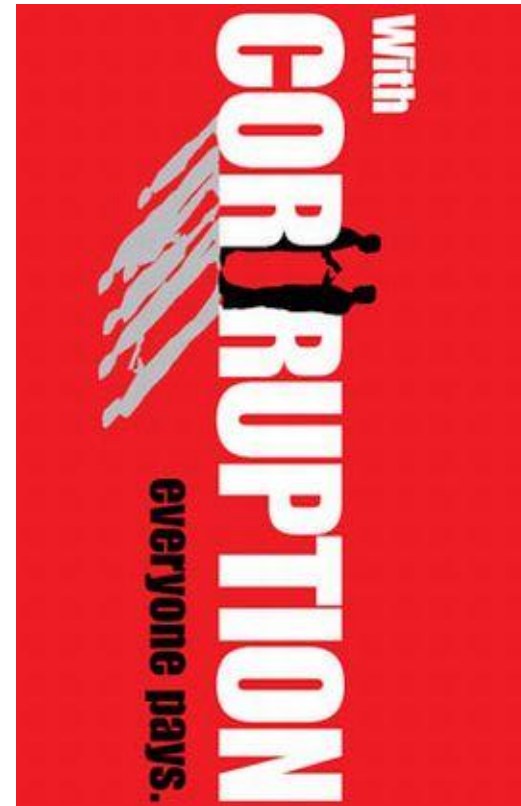
3. Organizational politics

- Fit between program and implementing agency
  - Ministry of Public Works in Indonesia in 1998 and labor-intensive building programs (quality of the works of the unskilled labor) vs. BULOG subsidized rice to half of Indonesia's households in 6 months
  - Moving RPS in Nicaragua from FISE to Ministry of Family

Heterogeneity of competencies
     Wage and on-monetary compensation, training
Lack of competition
     Beneficiaries can not walk away
     Street-level bureaucrats key: who is their allegiance to?
Dealing with corruption
     Simplifying program operations, automation
     Increasing cost of corrupt activities to corrupt individuals

Organizational politics

- Fit between program and institutional framework
  - Central vs local administration in low capacity environments
  - Strong interest groups (organized labor) may require adapting to their concerns

- Expectation management
  - Conditions in (C)CT as a way to build political support for transfer programs
  - (Workfare)-cum-nutrition as a way to build political support for nutrition interventions when employment is seen as more pressing
  - (Workfare) for women with children in PJH in Argentina in 2001
  - Role of public sector in ECA (compared to EAP)

Organizational politics

- Who implements can affect support
  - Social Funds in LAC as a way to:
  - Moving Bolsa Familia from President office to MDS in 2006
  - Caisse de Compensation (subsidy funds) under PM and social programs under weak social ministries or powerful Ministries of Interior (Morocco)
  - Ministries of Labor or Social Assistance

Placing a new program is an important decision and can affect political support (weigh pros and cons of options) Who controls the registry?

Politics of reform

- When and how fast to move?

  - **Constitutional changes**: South Africa, Brazil (Rights-Based SN) and paced implementation

  - **Consensus** on goals and commitment: US 1996 welfare reform, Colombia health insurance reform 1990s (with new push with Right to Health)

  - **Crises**

  - Entrenched controversy: pilot, evaluate and scale-up if successfull while building political support:

    - Progresa 1997, Oportunidades 2000

    - MENA 2013?

    - Africa CTs (with remaining questions about domestic ownership)

Crisis: opportunity or obstacle to reforms?

- Building a complement to informal safety nets: Korea 1997 unemployment insurance

ANALYSIS
Safety Nets Help Europe Resist Stimulus

Protections for workers put in place long ago may lessen the need

Mar 27, 2009 6:53 AM CDT

- or providing perverse incentives to potentially productive individuals: Europe now?

The Arab Spring?

- Traditional redistribution system through universal subsidies (food and fuel) and public employment
- Hard to sustain and disempowering

BUT

- New surveys in Egypt, Jordan, Lebanon and Tunisia show:
  - 90 percent think government should provide SN
  - Perceptions that present SN regressive
  - Low awareness
  - Preference for poverty targeting and cash

4. Accountability in the new social contract

- Rights based social agenda

Pieces to Combat Poverty

Targeted Policies

Collective Action

Rights-Base Approach to Development

Performance Measures

Strategic planning

Source: Zak Paster_World Poverty and Human Rights_Article 1_Spring 2010

- New relationships between civil society and the State
  - Democratization: **electoral** laws
  - Strengthening of the **rule of law**
  - Stronger press
  - Emergence of middle class

  And…

  - Erosion of **traditional safety nets** with repeated crises
  - Growing **disenfranchisement** (Arab Spring, Occupy)
 - Role of the State in service provision (transfers vs. services)

Why does accountability matter in SN?

Objectives

Incentives

Standards

Performance information

Accountability

Specific challenges

- Large number of vulnerable beneficiaries
- Shared program responsibilities across many gvt levels (central/local) and departments
- Highly visible programs

How to Provide incentives to SN operators?
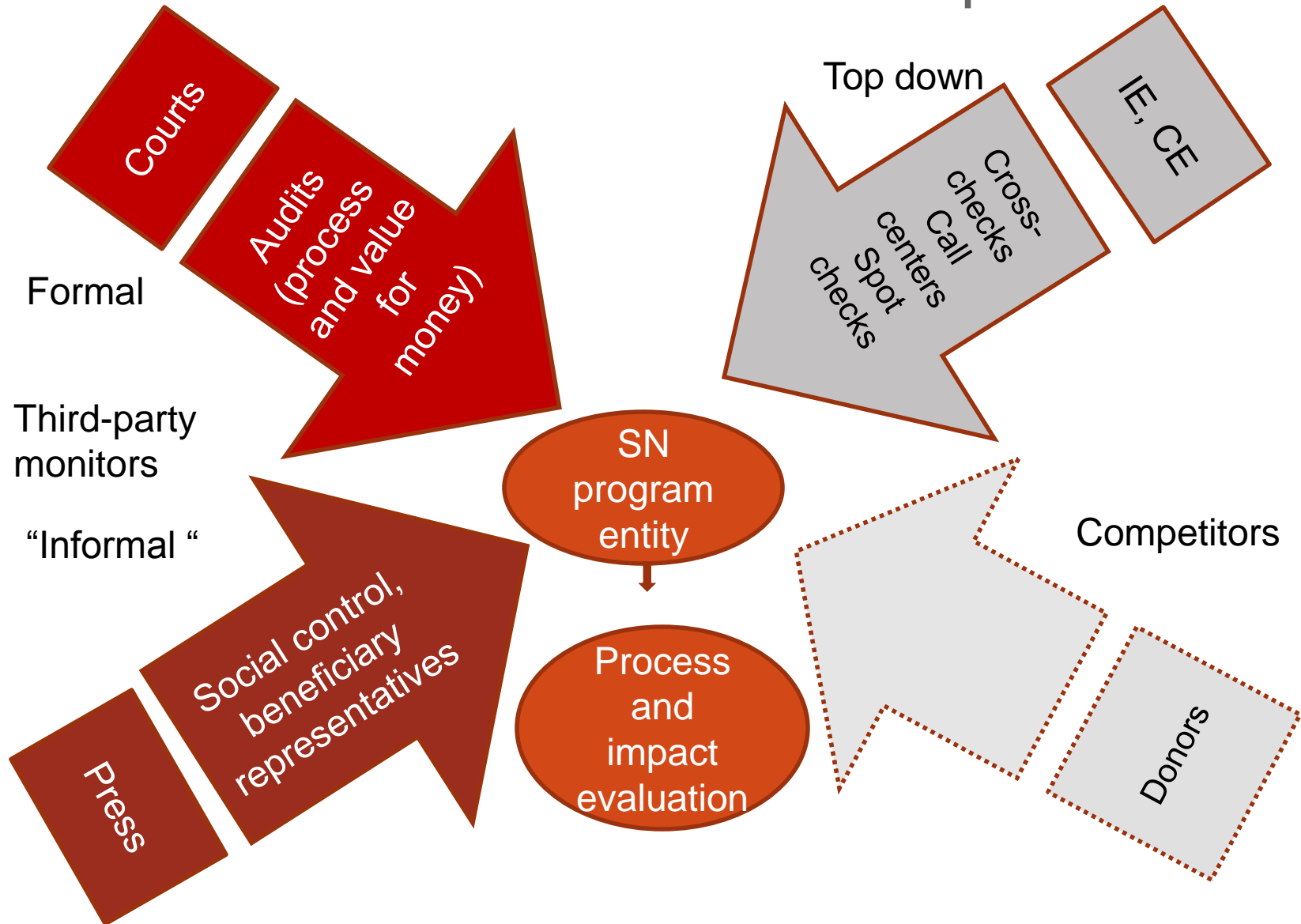
Three Paths of Social Accountability

1. *Access to information and audits*
   - Countries with A to I acts: x4 between 1995 and 2008

2. *Grievance redress mechanisms*
   - Once informed, citizens need opportunities to transform information about standards and performance into actions

Training social auditors Kenya

3. *Participation*
   - Identity
   - Community participation in targeting: from validation to decision (AFR CBT)
   - Mechanisms for voice of beneficiaries

Three assumptions

1. People have the ability and incentives to access and use information. *But…*

   … citizens may have other priorities and information asymmetries complicate judging performance in targeting, quality of services

2. People are willing to use information and redress channels to pressure policy-makers and providers. *But…*

   … citizens may be reluctant /skeptical to challenge authority.

3. Policy-makers and providers (duty-bearers) will respond to citizen influence (as right holders). *But…*

   … changing behaviors and incentives is difficult and takes time.

   …breaking with clientelism and nanny state culture is very difficult.

Key moments

Informing beneficiaries:
AusAid Malawi

Informing beneficiaries:
Oportunidades, MX

A. Informing

Communicating

B. Targeting, Exiting re-certifying

Targeting: Applying in the UK

Targeting:Providing IDs to claim payments by mobile phone (phone contract).
Concern Worldwide Kenya

Key moments

Paying through the
Army: Juancito Pinto BO

B. **Providing services, work**

C. **Paying**

D. **M&E**

Paying through an ATM:
Progresando con Solidaridad, DR

Providing work in NREGA

Generations of Social Accountability

Understand

Communicate

Inform

Govern

Question
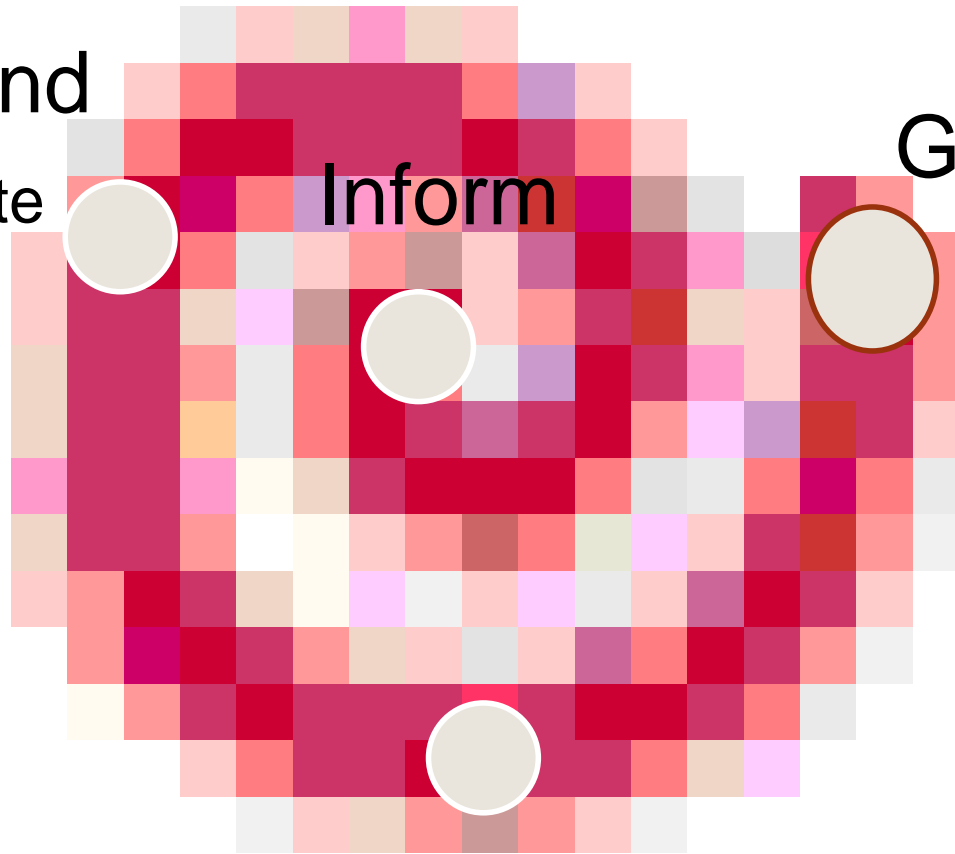
A. Access to Information

Inform: Publication	Understand
• Operational manuals (with standards for operation), • Beneficiary lists (LAC) • Rigorous independent IEs • Some budget information	• **Language** • **Format:** IT (SMS) vs. people, social communication • **Power issues:** Targeting (registries/programs), exit • **Guaranteeing an answer to questions:**
Question	Govern
• A to I acts and requests (IN) • Making standards understandable (RECURSO PE, payment agencies) • Beyond beneficiary satisfaction: (*Reportes Comunitarios* RD)	• Formal and social audits and **performance of providers** • Linking to program as part of performance management

B. Grievance Redress Mechanisms

Input:
Three types:
- **Within govt (donor-funded) programs**
- **Independent redress institutions (CSOs, ombudsmen)**
- **Courts**

Understand
Two functions:
- **Handling individual complaints (payments, poor treatment, eligibility)**
- **Provide feed-back for improvements by aggregating**

Procedure matters

Monitor
- Follow-up plans: (*Reportes Comunitarios* RD)
- Make it justiciable

Govern
Follow-up to grievance **($)** especially where State is far)
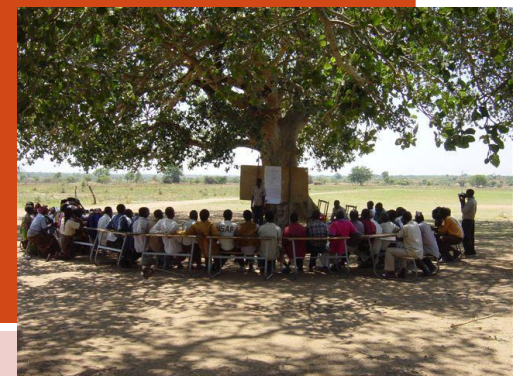
What happens? What works?

C.Participation

Inform:
- **Community validation of targeting (MX)**
- **Social control committees (BR) Program information w/ enlace/madres-líderes model (MX, PA)**

Understand
- **Include youth in decision-making**
- ***Community-based targeting;* checks and balances**
- **Vulnerabilities:** gender, ethnicity, exclusion

Question
- Participatory evaluation?
- Giving cash vs. improving services
- Why a given intervention? A contract, an investment or a right?

Govern
Coordination with local managers
Provide opportunities

Putting $ to intentions and not increase opportunity costs

Challenges

- "Plus ça change"

Bolsa Família beneficiava 2,1 mil políticos eleitos em 2012

· Ministério do Desenvolvimento Social cancelou repasses após identificar irregularidade

TWEET   COMENTAR

DEMÉTRIO WEBER (EMAIL · FACEBOOK · TWITTER)
Publicado: 11/10/13 - 12h41 Atualizado: 11/10/13 - 13h11

à Fome
identificou 2.168 políticos eleitos em 2012, a maioria vereadores, que continuavam recebendo benefícios do Bolsa Família após tomar posse, o que é proibido. A irregularidade foi constatada no início do ano, após cruzamento da lista de beneficiários do Bolsa Família com dados do Tribunal Superior Eleitoral, conforme divulgou nesta sexta-feira o "portal iG".

- The long route to accountability or… favors at scale?

Again the political economy of:
- who the deserving poor are
- who funds the program
  frames accountability relationships
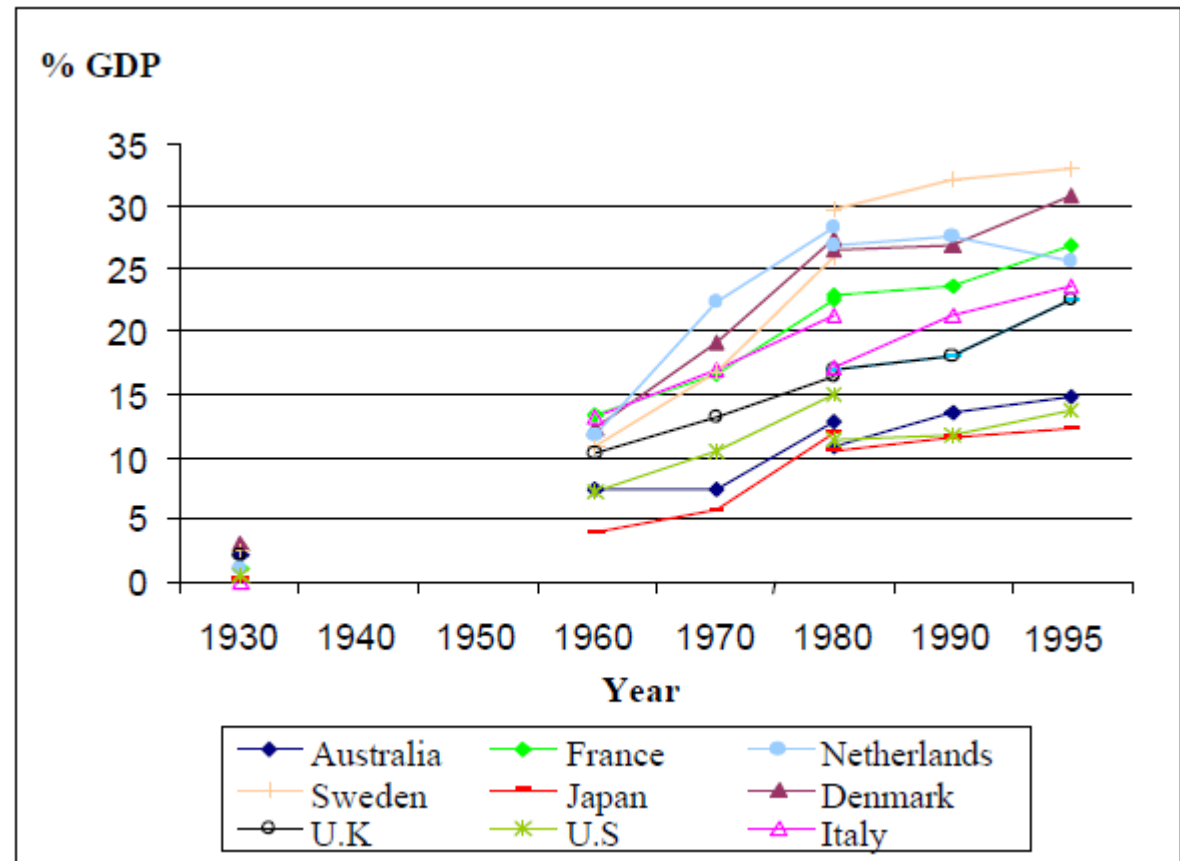
In the long-run

Rise in per capita incomes

Expansion of the right to vote

Increase in taxation for wide-base social safety nets

Expansion of SSN (except maybe in ECA?)

Universal services + insurance (good to bad states)

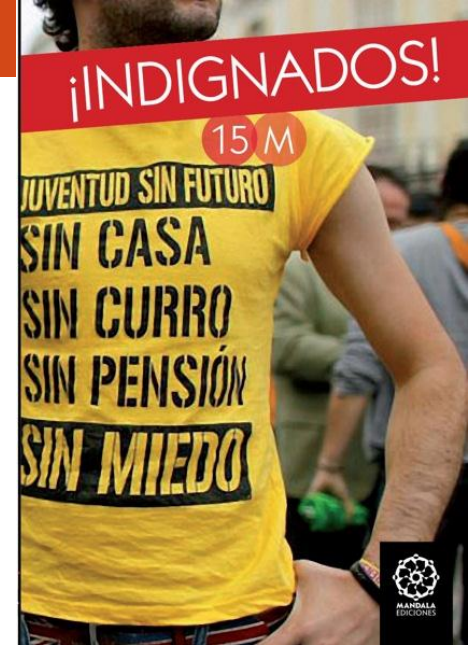Social transfers as a percent of GDP, OECD,1930 -1995 (Lindert 2004 and Pritchett 2005)

Now:
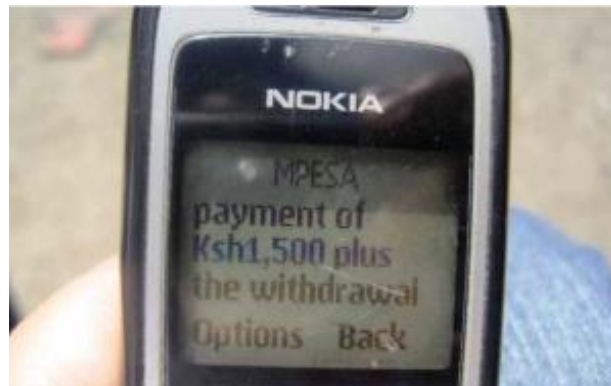
After the double FFF crisis:

High unemployment

Youth unemployment

New vulnerabilities:

- Rapid aging
- Churning around the poverty line

- Who votes (SN bring votes)?
- Who scares politicians?
- Who will benefit most?
- What's feasible?

Conclusions

Every society has its own values about

- The deserving poor
- Who is responsible to support them

• Policy-makers need to be attuned to them to run successful safety nets and navigate:

- Politics of budget
- Inter-organizational politics
- Bureaucratic capacity and organizational dynamics
- Public opinion expectations

- **The first best technical solution may not be the best fit**
- **Social accountability alone will not fix program management issues**
- **Technical process change faster than political ones… but not always**

More information

➢www.worldbank.org/safetynets

  ➢Incentives and provision of SN – SP Discussion Paper 0226

  ➢ Public attitude matters – SP Discussion Paper 0233

  ➢ Political economy of targeted Safety Nets – SP Discussion Paper 0501

  ➢Social Policy, Perceptions and the Press – SP Discussion Paper 1008

➢Alesina and Glaeser (2004)

➢Inclusion and Resilience. The Way Forward for Safety Nets in MENA (Silva, Levin and Morgandi. 2012)

➢Sustaining SSN. Crucial for Economic Recovery (Foxley, 2010)