

Can a leopard change its spots?

**Executive summary:
A critical analysis of the World Bank's
'progressive universalism' approach to social
protection**

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Preface

The COVID-19 crisis has been a wake-up call to strengthen social protection systems. Many countries have implemented social protection measures to lessen the devastating impact of lost jobs and livelihoods. However, today we, as a global community, are still far from making the human right to social security a reality for all.

The priority given by the World Bank to “targeting” – different methods to differentiate eligibility for programs between the poor- not only fails to cover the majority of the population but also fails to reach the people living in dire situations, despite its primary objective. It also prevents States from developing their own social protection systems.

Ten years after the adoption of the ILO Social Protection Floors Recommendation (No. 202), we are at a crossroads between universal schemes and highly restrictive approaches to social protection.

The World Bank alone represents more than half of all international support to the expansion of social protection in low- and middle-income countries, and during COVID-19, the proportion grew even larger. Importantly, its advice surpasses the influence that its financing role suggests.

The fact that “universality” is too expensive to implement at once seems to trump all the evidence showing that universal programs are superior to poverty-targeted programs in many regards. Gradual implementation is an obvious response to the lack of means for immediate implementation, and “progressive universalism” is the World Bank’s new approach to universal social protection. As shown in this report, however, “progressive universalism” has little to do with the “progressive realisation” that is a corner stone in the human rights. Rather, it appears to be an attempt to continue to promote poverty-targeting, while paying lip service to the commitment to universal social protection, weakening the efforts in that way. We must not forget that the issue of universal social protection also concerns high-income countries, where existing social protection systems are in danger, and this reminds us of the urgency of continuing to defend the quality and universality of social protection worldwide.

We hope that this report will inform anyone who is trying to navigate the debate on social protection, in particular policy makers in the major shareholders of the Bank, policy makers in countries implementing social protection programmes supported by the World Bank, and civil society organisations holding these policymakers accountable.

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Executive summary

In a global context where food and economic crises are exacerbating nutrition and income insecurity for all, while at least four billion people still lack any access to social protection benefits, the universal social protection (USP) agenda is more urgent than ever. However, despite a high-level consensus on universal social protection that has emerged in recent years among influential development actors – namely, the World Bank and the International Labour Organisation (ILO) since the signing of their partnership USP2030 – these key institutions continue to take radically different approaches to social protection in practice.

The World Bank has signed up to universal social protection as a ‘vision’ while continuing poverty targeting in practice

The ILO has long supported universal social protection as it has always been at the core of its mandate. The organisation’s strong endorsement of universal social protection is also guided by its standards, including the Social Protection Floors Recommendation No. 202 (R202), adopted by 185 states in 2012. The World Bank, on the other hand, has historically taken a fundamentally different approach, with a strong track record of providing loans to countries to implement small schemes that set out to narrowly ‘target the poorest’ within societies, with high rates of exclusion.

Since publicly endorsing universal social protection, the World Bank has presented universal social protection as a ‘vision’ while, at the same time, consistently continuing their usual poverty-targeted approach. For example, the Bank sells a narrowly targeted model of programme design to governments, which is often pushed at the expense of alternative approaches, in particular the gradual introduction of universal lifecycle programmes. In fact, the consensus within the Bank over the promotion of poverty targeting is so strong that it has even led to the active undermining of universal schemes that governments have planned to introduce or expand. In this way, there is a disconnect between the discursive endorsement of universal social protection at the leadership level of the Bank and the types of social protection programming that the Bank continues to finance and promote on the ground.

The Bank has introduced the term ‘progressive universalism’ to try and reconcile its poverty-targeted approach with the universal social protection agenda

The World Bank has attempted to reconcile this discrepancy between their endorsement of USP and their approach in practice by introducing new definitions of key concepts, including the concept of ‘progressive universalism’, among others. This builds on the concept of ‘progressive realisation’. A cornerstone of a human rights framework, and

included within the ILO's R202, progressive realisation reasons that countries should build and extend systems gradually over time in line with their fiscal constraints but allocating the maximum resources possible. Indeed, progressive realisation is a central human rights principle applied to the full realisation of all rights recognised within the International Covenant on Economic, Social and Cultural Rights (ICESCR).

However, the Bank's understanding of 'progressive universalism' provides a specific re-interpretation of this concept. The term is used by the Bank to argue for "*a focus on reaching the poorest and most vulnerable first*", with a view to eventually arriving at universal social protection coverage, but without a clear strategy of how to bridge the gap between these two radically different approaches.¹ In reality, the concept of 'progressive universalism' appears to be used to justify business as usual. In addition, the Bank has introduced other new concepts to argue that 'targeted benefits are universal' on the basis that everybody can access a poverty-targeted benefit 'when they need it'. Conversely, it argues that 'universal benefits are targeted' since they are targeting lifecycle categories such as children and older persons (even though this is done on a universal basis). Crucially, the Bank's introduction of new terms to justify the continuation of its poverty-targeted approach risks creating a false equivalence between poverty-targeted and universal benefits.

The World Bank's approach on progressive universalism promotes a failed approach and is not in line with the progressive realisation of the right to social protection

In attempting to re-define the meaning of universality, the Bank blurs the conceptual distinction between poverty-targeted and universal benefits. In doing so, there is a danger that both the evidence around the ineffectiveness of poverty targeting and the principles at the heart of the universal social protection agenda are obscured.

In particular, there are four key reasons why poverty targeting is a failed approach. Firstly, widespread low incomes and the dynamic nature of vulnerability mean that a static group of 'the poor' does not exist. In most low- and middle-income countries, the majority of the population are living on low or insecure incomes. Further, incomes and consumption are volatile for many people. Secondly, poverty targeting cannot be done accurately and always generates high rates of exclusion. Thirdly, there is strong evidence to suggest that poverty targeting can undermine trust in governments and exacerbate the risk of unrest. Fourthly, and crucially, poverty targeting can undermine the rights and dignity of individuals.

¹ World Bank (2022a, para. 88).

It is important to maintain the linguistic and conceptual clarity between poverty-targeted and universal schemes – and systems – as they are fundamentally different. In particular, at its core a poverty-targeted approach is designed to be exclusive in nature. Under this ‘poor relief’ paradigm, there is very little emphasis or creative thinking on how to mobilise domestic resources to finance greater investments in social protection. This is despite governments having a responsibility to adhere to the human rights principle of “*use of maximum available resources*” to make the most credible effort possible to realise people’s right to social security and a decent standard of living.

Further, as long ago as the 1990 World Development Report, the Bank itself had already recognised that the political economy of targeting means that poverty-targeted programmes are unlikely to grow over time and may even die out because of lack of popular support. In fact, international experience suggests that universal and poverty-targeted programmes have starkly different trajectories for the quality and sustainability of the social protection systems they build. Universal schemes are popular and, therefore, governments are more willing to finance them: since all citizens experiencing the contingency are eligible, they are more willing to pay taxes for universal schemes. In contrast, poverty-targeted schemes exclude most members of society while also, as Sen (1995) argues, directing resources towards society’s least powerful members. Consequently, poverty-targeted schemes do not have strong political support.

Despite this, the World Bank have ignored the political economy realities that it highlighted itself and, instead, base its belief in ‘progressive universalism’ in the claim that it has already refuted, namely that a poverty-targeted programme will have the political support to expand over time to become universal. The failure to acknowledge the distinct political economy characteristics of these two separate approaches undermines the credibility of ‘progressive universalism’ as a route to achieving universal social protection.

The Bank’s ‘progressive universalism’ approach is not an effective way to achieve universal access to social protection

The World Bank argue that ‘progressive universalism’ is one route to building universal social protection *systems* and, therefore, in line with R202. Yet, the reality is that, while poverty-targeted programmes can play a *small* part within universal *systems*, they are an ineffective means of providing access and realising the right to social protection for all (see above). Despite this, the Bank pushes poverty targeting almost exclusively.

Ultimately, the failure of the World Bank’s ‘progressive universalism’ model boils down to the relative emphasis on the kinds of approaches which should be prioritised and invested in to most effectively build systems that provide a universal Social Protection Floor.

Poverty-targeted programmes cannot plausibly be expected to provide the principal basis for an effective universal social protection system. In fact, they are not even able to effectively reach their intended narrow target populations.

The ‘progressive universalism’ approach endorsed by the World Bank confuses this. Endorsing a poverty-targeted approach as the *primary* means of designing a system instead of as a small complement to larger core lifecycle programmes is highly misleading, overstating the merits of an approach that is simply not capable of providing effective universal support. As a consequence, poverty targeting is promoted at the expense of supporting governments to introduce or strengthen flagship lifecycle programmes.

The Bank’s ‘progressive universalism’ is inconsistent with a rights-based approach

Besides their greater effectiveness in providing access to social protection for even the poorest members of society, universal benefits are also much better than means-tested programmes in protecting the rights and dignity of recipients. This is a key principle upon which R202 and the Social Protection Floor (SPF) is predicated. For example, R202 (2012: para. 3), outlines core principles such as: “*a rights-based approach based on entitlements*”; “*universality of protection based on social solidarity*”; and the “*protection of rights and dignity of beneficiaries*”, among others.

Since the SPF is rooted in clear human rights principles, the method by which governments choose to achieve social protection coverage is not merely a means to an end. In fact, the means matters, and should ensure the protection of the rights and dignity of all in society. Global evidence shows that the ‘means’ by which a means-tested approach implements programmes is far less likely to be in line with a rights-based approach (even though, as argued above, this approach is unlikely to meet the ‘end’ either).

In contrast, universal lifecycle benefits are provided as individual entitlements for everybody as they progress through the lifecycle. These are offered within a rights-based framework and there is far less room to discriminate against potential beneficiaries or create perverse incentives, since the eligibility for benefits on the basis of age or disability is intuitive, easy to understand and, ultimately, inclusive. As such, poverty-targeted and universal lifecycle benefits are not equal from a rights perspective, demonstrating another way in which the World Bank is making a false equivalence which is likely to distort the value of each approach to policymakers.

Why does this matter?

Overall, it is encouraging that ‘universal social protection’ has garnered such consensus across influential international development players, but there is a danger that the term has become such a broad umbrella concept that it is no longer useful for the primary purpose of R202: to act as a standard and guidance for governments to deliver on citizens’ right to social protection. At present, the World Bank is re-interpreting language to disguise its continued use of a ‘same old’ poverty-targeted approach. Ultimately, universal social protection and poverty targeting are incompatible visions. The concept of ‘progressive universalism’ has co-opted the language of rights-based social protection programming to disguise an ultimately non-rights-based approach. For this reason, it is valuable to maintain linguistic and conceptual clarity around the different approaches to social protection so as not to confuse policymakers and to maintain clarity on the differences between the options available. Indeed, while it may appear picky to focus on semantics, it is important to analyse the language used by powerful institutions since there are critical policy implications for the use and misuse of important rights-based terminologies.

Conclusion

The Bank has re-interpreted the concept of universal social protection so that it aligns with its poverty-targeted approach, while failing to make many meaningful changes to its practices on the ground. The Bank continues to endorse a narrow poverty-targeted approach, financing low-coverage ‘poor relief’ schemes and social registries that attempt to identify the ‘most needy’. In this way, there is a disconnect between the discursive endorsement of universal social protection at the leadership level of the Bank and the programming that the Bank finances and promotes on the ground.

Despite this, key shareholder countries continue to support the Bank’s approach to financing a narrow poverty-targeted programme design, without any rationale on how this relates to a broader universal social protection agenda. This suggests that Board Members may not have understood that the Bank is promoting a failed approach that is not meaningfully committed to universal social protection. Nor might they understand that another way of supporting countries to advance social protection is possible.

Moving forward, international organisations such as the World Bank – and the constituency governments of donor countries that hold significant influence as major shareholders – have a responsibility to ensure that they are clear on the evidence and conceptual differences of options available to policymakers as they seek to build effective national social protection floors. While poverty-targeted programmes can play a small role in contributing to universal systems, there is a risk that concepts such as ‘progressive

universalism’ – as interpreted by the World Bank – will blur the distinction between a poverty-targeted and a rights-based universal approach. Ultimately, maintaining conceptual clarity and sharing (and being receptive to) evidence on the benefits and shortcomings of approaches will play a fundamental role in achieving universal social protection as actors work together towards such an important and challenging common global agenda.



DEVELOPMENT

PATHWAYS

