

# Global Crises, Multidimensional Poverty and Social Protection Programmes

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# Introduction

- Poverty eradication is the overarching objective of the **2030 Agenda for Sustainable Development Goals**
- At the 1995 World Summit for Social Development, global leaders identified poverty eradication as:
  - an ethical, political and economic imperative
  - one of the three pillars of social development
- SDG 1.3 Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable

# How are we doing in reducing poverty?

- Poverty most often measured in monetary terms: per capita or household income, or consumption spending
- **SDG 1 target:** By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day (now \$2.15/day)
- Using this measure, global extreme poverty has become less severe over the last two decades, although there are significant regional variations

# How are we doing in reducing poverty?

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- In 2020, the COVID-19 pandemic pushed millions of people into extreme poverty, currently defined as those who live on less than
- The extreme poverty rate increased from 8.5% in 2019 to 9.3% in 2020 (\$2.15/day at 2017 purchasing power parity).
- By the end of 2022, this stood at 8.4% of the world's population, or as many as 670 million people
- The figure will drop to 575 million by 2030 – a fall of less than 30 per cent since 2015.

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- Target 1.3: The global population effectively covered by at least one social protection cash benefit, increased slightly to 47% in 2020, from 45% in 2015.
- Only 26% of children under 15 received a social protection benefit
- Goal 2 to End Hunger: The number of people facing hunger and food insecurity has been on the rise since 2015, with the pandemic, conflict, climate change and growing inequalities exacerbating the situation.
- The number of people experiencing hunger increased to 768m in 2021, from 589 million people in 2015.
- By 2030, the number is projected to reach approximately 670 million people or 8% of the world's population, the same as in 2015.

# Poverty Measurement & Dimensions of Poverty

- Changing poverty lines: **shifting goal posts**
- International Comparison Program \$1.00 (MDGs); SDGs - \$1.25; \$1.90; \$2.15 per day
- These lines probably **under-estimate actual extent of poverty, hence importance Multidimensional Poverty Index (MPI)**:
  - Namibians living below the national poverty line declined from **28.7%** in 2009-10 to **17.4%** by 2015-16. MPI 2021 -**43.3%** were multidimensionally poor
  - Poverty decreased in 2022-23 but remains high at **17.8%** based on the \$2.15/day international poverty line (2017 PPP).

# Multi-dimensional Poverty?

- Copenhagen Social Summit 1995
- Many efforts to capture different dimensions, including HDI, etc
- Multi-dimensional measure likely to produce higher poverty rate
- Controversy mainly over single composite index, over relative weights
- Encourages producing index close to straight money poverty measure



# Development lessons

- Pragmatism: address constraints to **accelerate growth, development**
- Promote desirable economic activities, e.g. increasing returns to scale
- **Fiscal capacity** needed to provide basic needs + essential social services
- Government **policy space** crucial for economic + social outcomes
- **Growing inequality, reduced social provisioning limit** benefits for poor

# Social Protection

- “Refers to a group of policy measures and programmes that reduce poverty and vulnerability and seek to protect society’s more vulnerable members against livelihood shocks and risks, enhance the social status and rights of the marginalized, protect workers and diminish people’s exposure to risks associated with ill health, disability, old age and unemployment.” RWSS 2010, UNDESA

# Social protection categories and instruments

Type of Social Protection	Social Protection instruments	Role in this crisis
<b>Protective (social assistance)</b>	<ul style="list-style-type: none"> <li>• social transfers</li> <li>• disability benefit</li> <li>• pension schemes</li> <li>• social services</li> </ul>	<b>Immediate protection and relief from poverty and deprivation</b>
<b>Preventive (insurance and diversification mechanisms)</b>	<ul style="list-style-type: none"> <li>• social transfers</li> <li>• social insurance</li> <li>• livelihood diversification</li> <li>• savings clubs; funeral societies</li> </ul>	<b>Prevents damage to coping strategies</b>
<b>Promotive (economic opportunities)</b>	<ul style="list-style-type: none"> <li>• social transfers</li> <li>• access to credit, transfers/protection, common property resources</li> <li>• school feeding</li> <li>• agricultural starter packs</li> <li>• public works programmes</li> </ul>	<b>Promotes resilience through livelihood diversification and improves security</b>
<b>Transformative (addressing underlying social vulnerabilities)</b>	<ul style="list-style-type: none"> <li>• <b>promotion of minority rights</b></li> <li>• <b>anti-discrimination campaigns</b></li> <li>• <b>social funds</b></li> </ul>	<b>Transforms social relations to reduce exclusion</b>

# Universalism vs Targeting

**Targeted** programs + social safety nets vs **universal** social provisioning

**Universalism** emphasizes the basic right of each and every citizen to the provisioning of social services

Its **integral** to development and poverty eradication strategies

**Targeting** focuses on eligibility and hence involves means-testing to determine the “**truly deserving**”

# Universalism vs Targeting, cont'd

- Social safety nets involving targeting + **conditionalities** → cost effective + behavioural change by people living in poverty
- **Targeting** poor often **expensive** + politically **unsustainable**, while **missing out** many deserving
- Contradiction in terms of internationally agreed social development goals, e.g. “education for all”, “primary health care for all”, etc
- **Conceived in universalistic terms** but the means to achieve them remain highly selective and targeted

# Universalism vs Targeting, cont'd

- Lessons learned past 3-4 decades call for social policy to return to universalism
- Principle of social justice more important than administrative procedures
- Limited public resources should be used to benefit people
- When non-income dimensions of poverty are taken into consideration, poverty is much more widespread than income poverty measures would suggest
- Targeting the majority of the population loses meaning

# Step up efforts

- **Macroeconomic policies** should prioritize sustainable development, employment
- Promote **decent work**
- Protect and augment **social expenditures**, especially for health care + education
- **Social protection floor** affordable for all
- To protect **investment in human capital**, public social expenditures should be safeguarded, and even increased, in this current time of crisis

# Step up efforts

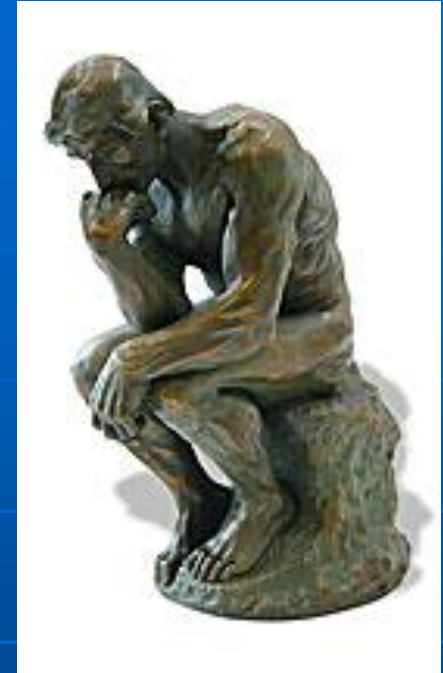
- A 'social protection' floor can serve as an effective safeguard against poverty, even during an economic crisis.
- A basic social security package – comprising unemployment insurance, pensions, disability, and child benefits – is **fiscally affordable** for most developing economies, requiring investment of no more than 5% of national income.



# Step up efforts

- If the damage inflicted by the Triple Global Crises on the lives of poor people is to be contained, there must arise a greater willingness to change
- “The difficulty lies not in the new ideas, but in escaping from the old ones, which ramify, for those brought up as most of us have been, into every corner of our minds.”
- “Practical men, who believe themselves to be quite exempt from any intellectual influence, are usually the slaves of some defunct economist.” – Keynes, 1936

*It is time to rethink the way we understand poverty, how it is measured, and the policies used to address it.*



*A more comprehensive strategy to reduce poverty in all its forms, that puts decent jobs, human capital formation, and social protection at the centre of development strategies, is needed to improve the lives of current and future generations.*