

Social Safety Nets Primer Notes

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Public Attitudes Matter: Political Economy in the Design of Safety Nets Policies

It has long been recognized that political economy influences the design, implementation and outcome of safety nets, as well as other social programs, but there is no consensus about how to account for such concerns in policy decisions. This note draws on international public-opinion surveys and other research to highlight some of the implications for the design of safety net policies.

A Cross-Country Perspective

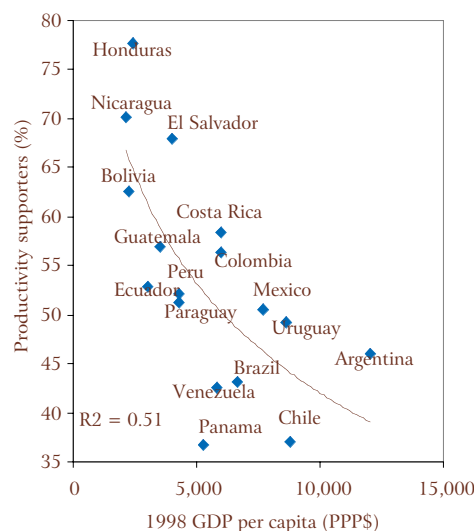
Public opinion differs widely across countries about government's role in the provision of public services and about the extent to which there is a collective responsibility for individuals who are unable to provide for themselves. There are persistent differences in attitudes about how opportunities are distributed and the government's role in equalizing both opportunities and outcomes. Americans, Japanese, and Australians, for example, spend much lower proportions of their gross national product on social welfare than do their European counterparts in the OECD. Americans also express more limited support for government responsibility for social welfare: lower percentages of Americans than Europeans see jobs, health care, the elderly, and housing as essential government responsibilities.

Based on evidence from the Latinobarometro multi-country surveys, there is a marked similarity between Latin American and U.S. attitudes about the causes of poverty, about redistribution, and about inter-generational mobility. For example, in one national survey 36 per cent of Americans say that lack of effort is a major cause of poverty, and 36 per cent of Latin Americans say that poverty is due to no effort on the part of the poor. Similarly, a majority of Americans and Latin Americans believe that their children's future standard of living will be higher than their own. Attitudes about inter-

generational mobility do not appear to affect views on income redistribution.

When asked what their country needed most to get ahead—productivity growth or more redistribution—more than half of survey respondents region-wide say productivity. Within countries, wealthier people are, on average, more likely to support productivity. However, across countries, mean levels of support for productivity are higher in poorer and more unequal countries (see figure). These apparent contradictions can be explained in two ways. First, most poor countries in the region have relatively recently started serious market reforms and most citizens recognize the need to establish sustainable growth given the history of high debt, inflation and stagnant economies. Second, these same countries typically have weak state institutions and underdeveloped social welfare structures, contributing to a skeptical view of the fairness and efficiency of redistributive policies.

What does the country need most to get ahead, productivity growth or redistribution



Source: Graham, 2002.

Who Deserves Assistance?

To a larger extent, support for safety nets depends on who the public sees as deserving of assistance. Similarities and differences between those needing assistance and the general public also play roles. A number of generic considerations are evident across countries:

- **The poor versus the middle.** The more similar a country's middle class is to its poor—in terms of income distribution and general socioeconomic characteristics—the more likely there will be broad political support for safety nets and redistribution in favor of the poor. This congruence of interests relates to beliefs about who is deserving of assistance, and may be more important even than the perceived equality or fairness of government programs. It has been argued elsewhere that unless programs are universal or at least seen to potentially benefit the middle class as well as the poor, they will not be politically sustainable. Most Americans, however, support assistance for the 'deserving' poor but not for the middle class.
- **Regional balance.** To the extent that poverty is regionally concentrated and more remote or politically invisible, it is more difficult to marshal political support for targeted assistance policies.
- **Racial diversity.** Large racial differences in the population tend to create divisions on the question of who is deserving. In the U.S., survey respondents' support for welfare can be directly linked to their perceptions of the racial composition of poverty. In Latin America, there is significant racial homogeneity in countries with the most developed social-insurance and safety-net systems, in contrast to many of the Andean countries—e.g., Brazil and Mexico—where indigenous populations make up a higher proportion of the total.
- **Beliefs about the causes of poverty.** Support for safety nets is likely to be weakest among those who believe that poverty and vulnerability are due to a lack of effort or personal failings. Research suggests that such aggregate country-level attitudes is at least as important as individual economic concerns in explaining differences in attitudes on redistribution.

Navigating the Political Context

Once choices are made about deserving beneficiaries, policymakers must still navigate the

political currents to implement policy change. Three sets of issues directly influence the feasibility and pace of implementation:

- **Institutional framework.** The capacity of public-sector institutions and the relative strength of particular interest groups often dictate the choice of policies. In countries with weak institutions and limited administrative capacity, policies which rely on local communities and institutions are usually more appropriate. Where organized labor or other interest groups are strong, it will be difficult to dismiss their concerns in any comprehensive reform initiative, suggesting a more decentralized approach in some instances.
- **Public attitudes and perceptions.** If there are strong attitudes about the deserving versus the non-deserving poor, then work requirements and other forms of self-help and private provision of services may help make programs politically feasible. Where there are strongly entrenched views that certain services are public goods—such as in much of Europe and the former Soviet states—reforms must be introduced cautiously and with strong public relations components, or on a limited basis, to avoid polemical debates which can jeopardize broader reform efforts.
- **Big bang versus reform by stealth.** Sweeping change based on a centrally driven policy effort is possible when there is a clear consensus on the direction of change and central-level commitment and priority setting, and when these are accompanied by extensive efforts to publicize and explain reforms. Examples include the U.S. reform of welfare in 1996, Uruguay's education reform and Columbia's health reform in the early 1990s. Where entrenched public attitudes do not permit high-profile reform, changes can instead take place as pilot programs within a particular ministry or agency, implemented at a local level and scaled up if and when success is demonstrated. Examples of this 'stealth' approach include the CLAS (Comites Locales para la Administracion del Salud) in Peru and the Progres program in Mexico, both of which relied on initial pilot implementation—and formal evaluation of Progres—to gain political support.

The World Bank Social Safety Nets Primer series is intended to provide a practical resource for those engaged in the design and implementation of safety net programs around the world. Readers will find information on good practices for a variety of types of interventions, country contexts, themes and target groups, as well as current thinking on the role of social safety nets in the broader development agenda.



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