

SOCIAL PROTECTION AND JOBS

# 2019 CORE COURSES

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## **Safety nets: a (brief) historical perspective**

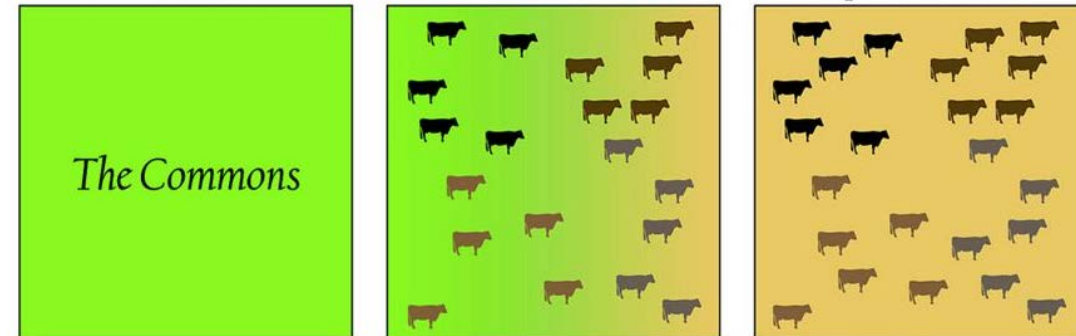
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# Pre-industrial revolution

- Land enclosure (1300s-1700s)
  - Right for common land abolished; evictions and privatization (for wool and sheep herding)
  - Land leases at soaring price and growing productivity targets (only the most productive were kept)
- Dissolution of another source of support, i.e., Church monasteries (1534-1541)

➔ For the first time in human history – the emergence of “**paupers**” (poor) as a social class: displaced, dispossessed, unemployed masses “... having no means of subsistence other than their labor to survive”



# Still, poverty largely framed as individual's moral failure

1494  
Stocking



1547  
Branding

a "V" mark burned into the  
chest with a hot metal  
(+ enslavement and execution)



1572  
Ear-boring



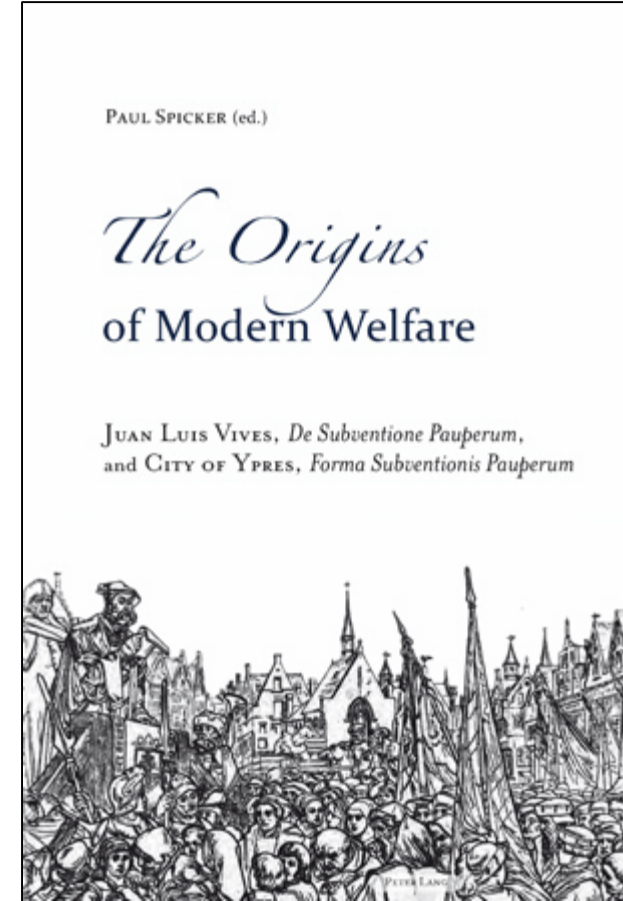
1697  
Badging





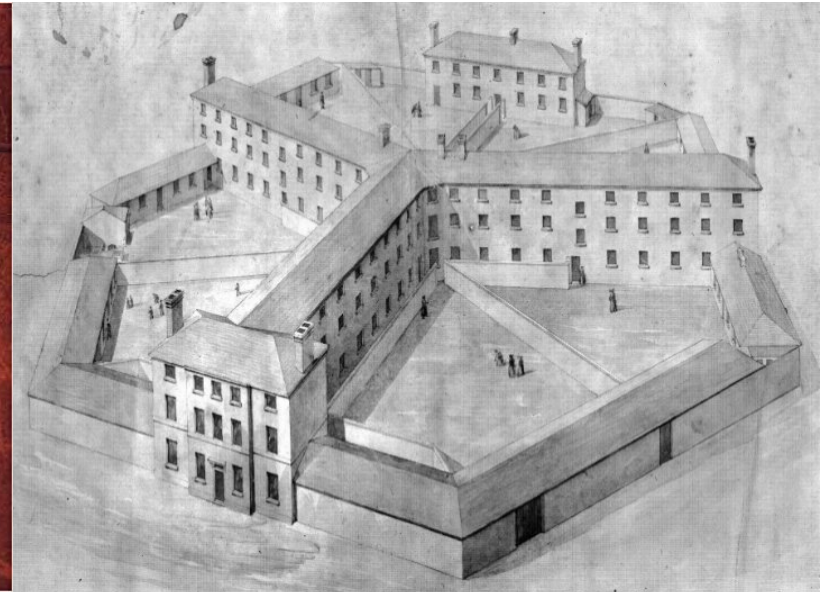
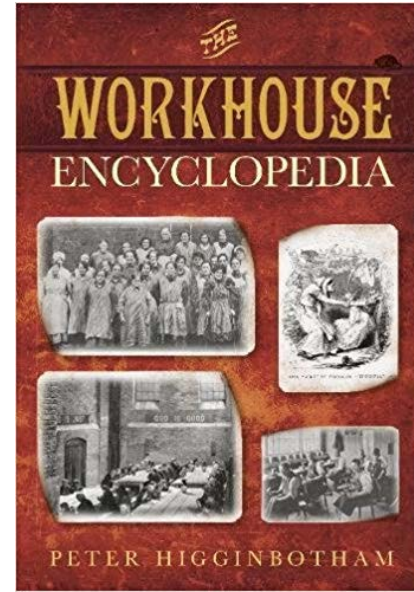
# State starts taking responsibility for social assistance

- Social discontent and riots (1549; 1607; 1626-1632; civil war 1640s)
- Old Poor Law (1601) systematized earlier provisions
- Parish-level administration (local taxes or “poor rate” based on properties)
- Support for widows, disabled, seniors; *labor test* for able-bodied adults (1/2 wage in-kind)
  - Parishes to organize “local public works”
- Speenhamland 1795 as “first GMI”



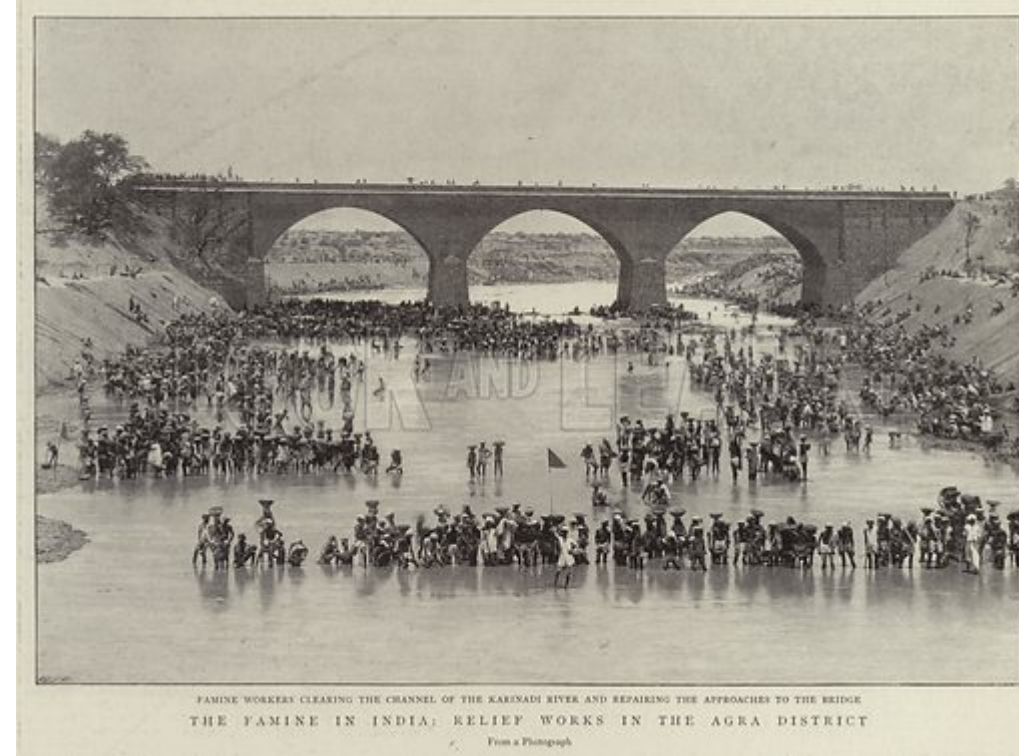
# Industrial revolution and “indoor” public works

- Migration to cities left parishes to finance growing needs
  - 1750-1818: poor rates rose x6... discontent of landlords (who controlled Parliament)
  - About 2.5% GDP
- New Poor Law (1834)
  - Administered by new Poor Law Unions (20-30 parishes) with locally-elected Board of Guardians
  - Work by able-bodied poor should be conducted in **workhouses** (not a prison, but almost...)
  - Cost 1% GDP in 1840



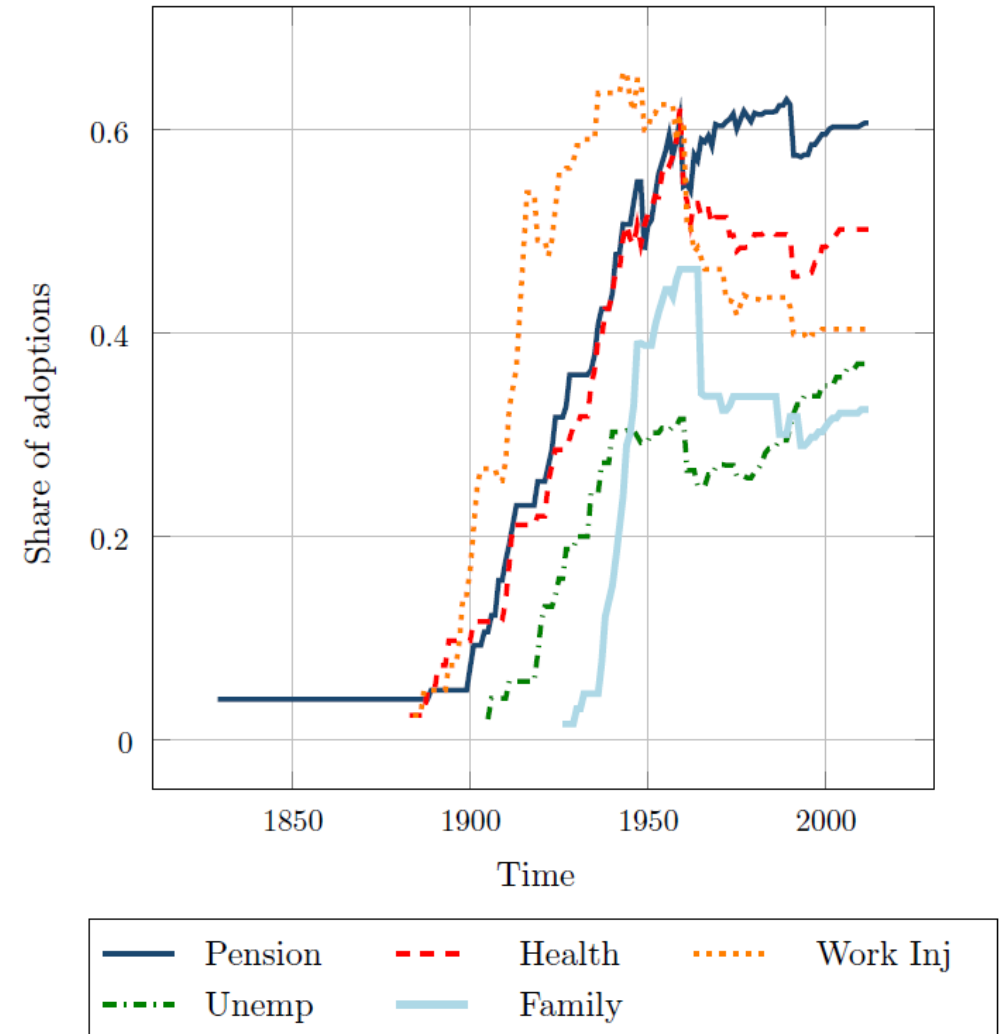
# Major influence overseas...

- Indian Famine Codes of 1880s
  - ‘Deserving poor’; **cash and food wages** set at roughly 75% of the prevailing labor market rate
  - Codes influential in other colonies, e.g., Sudan
- Around the same time, United States’ approach rooted in Poor Law regime
  - Work test and formal declaration of incapacity (“pauper’s oath”)
  - **Local public works**, no US federal regime
  - Meager benefit adequacy (about 15% of prevailing wages); few months duration
- Then as industrialization matured...



# Post-industrial revolution: rise of social insurance

- As wage employment matured, need to deal with its social risks
- 1889: Bismarck and the “invention of retirement”
  - "...those who are disabled from work by age and invalidity have a well-grounded claim to care from the state"  
(Germany Emperor William I)
- Contributory schemes shortly followed by **social pensions**
  - New Zealand 1898
  - Australia 1908
  - Sweden 1913...





# New Deal and WW-2



- New Deal (1933-1943): from local poor laws to a federal system
  - Shift in perspective: poverty not as individual's choice (involuntary unemployment)
  - 4 major **public works** schemes for 4.6 million people (9% of workforce; 39% of unemployed)
- From local to **federal approach**: major role of public works in institutional capacity building
  - That will soon enable SNAP, **largest domestic safety net** (1961)





# Beveridge and post-independence

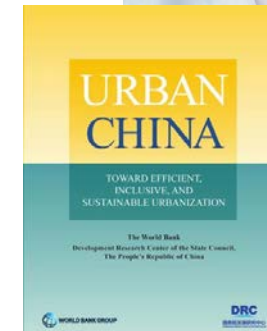
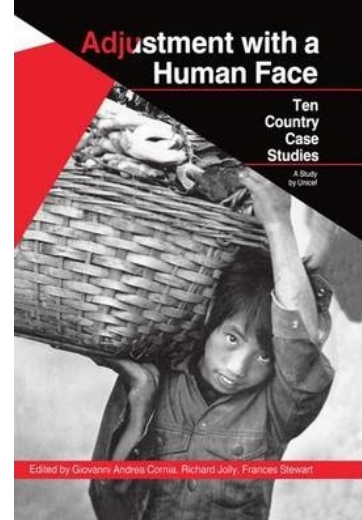


- Beveridge Report (1942) scraps poor laws provisions
  - UK introduces **child cash allowances** in 1946 (tax financed, 5 shillings/week/child)
- In Africa, large reliance upon private charitable institutions and informal community arrangements
  - Report sparked debate in the Colonial Office, issuing guidance on “Social Security in the Colonial Territories”
  - *Further* interest from Bahamas, Jamaica, Malta, Palestine, Ceylon, Northern Rhodesia especially on **social pensions**
- Post-independence
  - Emphasis on support to farmers and agriculture (green revolution 1960s)
  - Volatile and high food prices (1970s), emergence of **parastatals for price management and food subsidies** (e.g., Ghana); Egypt, Mexico, India, Sri Lanka since war times.



# Turbulent 1980s-90s: crises and reforms

- Dissolution of USSR
  - Struggles to keep previous levels of **social assistance**
- Structural adjustment reforms
  - Reforms and dismantling of various **food subsidy systems**
  - Bolivia introduces **social funds** for public works (1987)
- East Asian and various crises in the mid-late 1990s
  - Reminder of scars from no safety net in place: introduction of **Raskin, Progresas...**
  - **Argentina's Jefes de Hogar** as economic crisis response followed shortly after
- China's reform of state-owned enterprises and shift of welfare provision to the state
  - **Dibao GMI** in 1993



# 2000s: the revolution in safety nets begins

- Declining food aid, wider use of cash transfers...
  - Ethiopia PSNP
  - Zambia's Kalomo
- Experimental evidence from Mexico, study tours, and learning (SSLF, this core course...)
- Political leadership
  - Bolsa Familia in Brazil
- Legislation and commitments
  - AU Livingstone 2008; Mozambique 2007 Law
- Turning point with Triple-F crisis
  - Pantawid in Philippines; BISP in Pakistan



# Last decade: a new welfare model?

- Pervasive informality prevented significant expansions in social insurance where needed the most
  - Emerging model of building social protection from “**social assistance up**”
- Delivery agenda takes root (and applied technology....)
- Scale-up enshrined in global development architecture
  - G20 and SPIAC-B; embedment into SDG 1.3
  - Universal social protection
- .... *500 years to get here: where next?*

