



Fact Sheet No. 3: “Targeting” the poor is poor policy

Support for security and equality strong 48,000 people give their views

- Arguing that basic economic security for all should be a development goal and a socio-economic *right*, this ILO report shows that many conventional policies that are pushed as part of anti-poverty programmes fail to reach the poor.
 - A standard view is that social protection should be pursued by greater targeting of limited public resources on the poor. The result has been greater reliance on means-testing and other forms of selectivity. But analysis of data from surveys of low-income families and workers in developing countries shows that actually they are often not aware of benefits they are eligible for and that the poor are ever less likely to receive the benefits than the non-poor. As a consequence, *take-up* rates of social assistance programs are usually very low.
 - The ILO's People's Security Surveys (PSS), covering many thousands of families in 15 countries, show this is the common pattern. For example, in Ethiopia's food-for-work scheme, supposedly targeted on the poor, the non-poor are more likely to be involved. In Indonesia, the rice subsidy scheme also went disproportionately to the non-poor.
 - The ILO report on economic security assesses a wide range of policies presented as ways of reducing poverty, such as public works, workfare, food-for-work and social assistance schemes. Most fail one or two “tests” that it believes should be the principles or criteria used to evaluate such policies – that they reduce the economic insecurity of the most insecure and that they should not limit their freedom in trying to do so.
 - At the same time, there is a strong support for a reduction of poverty and inequality coming from the 48,000 people interviewed in the ILO's People's Security Surveys in 15 countries.
 - Across the world large numbers of people support the principle that governments should try to ensure that everybody has an income below which it should not be allowed to drop, a floor of basic security. Over 80% of people in such countries as Hungary and China supported this principle. Support remained high even when respondents were asked if they would support it if taxes had to rise.
- Other key findings, in brief:
- In countries as different as Hungary, Indonesia, Russia and South Africa, over two out of every five persons favour an upper limit on earned income.
 - An overall majority in various countries believe that income inequality is excessive, a finding that is particularly strong in Indonesia and the Philippines. People who live in rural areas tend to be more in favour of progressive policies to reduce income inequalities than those who live in urban areas, although a majority in both types of area supports them. In Indonesia, 73% of rural dwellers thought there should be an upper limit on earnings compared with 60% of urban residents.
 - Those who are economically insecure, in terms of their income, job and work status, are more likely to develop intolerant views, most notably towards migrants and racial minorities.
 - Women are more likely to be egalitarian than their male counterparts within various countries, although this does not apply in all the countries in which the PSS was carried out.
 - There is strong support for giving income security to those doing such non-labour market activities as care work in the same way as for those doing labour market work.
 - Identifying people as either “fatalists” or “individualists”, the report suggests that individualists are actually more likely to support the provision of a minimum income for their fellow citizens, but less likely to support an upper



income limit. This, the report suggests, has implications for policymakers, since greater education and exposure to modern living tend to be associated with a growing sense of individualism.

- In countries where it was asked, it was found that there is considerable support for the proposition that taxes should be raised to enable the government to reduce poverty. In Ghana, nearly three in four respondents said this.
- In China, only a small minority of respondents expressed themselves as 'satisfied' with government policies to achieve poverty alleviation or to achieve social protection.

China: Degree of satisfaction with government policy
(percentage distribution of views on area of policy)

Policy	Satisfied (%)	Fairly good (%)	Dissatisfied (%)	Don't know (%)
Poverty alleviation	9.5	36.3	36.6	17.6
Urban minimum income guarantee	7.3	34.1	43.1	15.6
Social security	7.1	34.6	45.5	12.9
Public employment service	7.0	30.2	48.4	14.4
Living allowances for laid-offs	5.9	31.3	45.4	17.4

Source: China PSS, 2001.

- The ILO report concludes that, contrary to claims made by many observers that people have come to accept great inequality and that selfish individualism dominates public thinking, these results show there is still a widespread sense of support for *social solidarity* and for a reduction in income inequality and income insecurity.