

## Against Targeting

Pravind Jugnauth has got only one extremely child-like argument in favour of “*targeting*” the poorer people in society before giving them what are, in fact, universal rights.

As from October, he announces in his Budget Speech, he will target those who “deserve” old age pensions, as well as those who as from January next year “deserve” other pensions, and from now onwards those whose parents “deserve” subsidies on children’s SC and HSC examination fees. Here is the one and only argument from his Budget Speech: *Once he excludes some rich recipients from one of these payments, this leaves him more money to give to those who deserve it.* This is accounting for a five-year old. This is not worthy of a Minister of Finance.

### ***The claw-back***

Everyone with a brain more developed than that of a five-year-old, knows for sure that a budget has many ways of bringing in money.

The main economic argument in favour of universal benefits (benefits that one gets *as of right*) is that they are paid for by “clawing back” through taxes, which target the rich instead.

There’s a moral point here: the State should not single out and target those it is helping, which is inevitably a humiliating experience, but should target high earners as part of ordinary taxation policy. A millionaire who gets his Rs1,900 monthly pension as a right, simply gets taxed Rs 1,900 extra, and there you have the claw-back. But this is accountancy for the *over-five-year-olds*. (You can even minus the claw-back straight away in the expenses column, if you want to, and put an asterisk to show what you’ve done.)

### ***The difference between a right and a charitable hand-out***

With Pravind Jugnauth’s “targeting”, the *right to an old-age pension* will have disappeared – if the Members of the National Assembly vote his iniquitous measure.

Our Deputies should not pretend they do not realize what they are doing if they vote for this Budget. They are about to begin the process of undoing the human rights so hard-fought for by the people of Mauritius. They will also cause immense hardship to the ordinary working people of the country.

If this measure is voted, from October onwards, what was a fundamental human right, will be converted into a charity handout from the State.

Will we just sit and watch fundamental human rights being eroded this way?

Fortunately, the trade union leaders are wiser than most of the intellectuals of this country on this score, and have criticized the Minister of Finance.

### ***Pensions in Mauritius***

After the 1937 Riots in Mauritius, the *Commission on Unrest on Sugar Estates in Mauritius* proposed “old age pensions ...[for] all sections of the population”, as one of the means of appeasing the anger of the people. The bosses, however, continued to oppose pension rights of any kind. It was only in 1950 that a non-contributive pension was introduced by the colonial government. The scheme used “targeting”, or “means-testing”. In Mauritius this was known as “Poor Law”.

It was so unpopular, so despised by the people, that by 1957, the targeting was abolished.

*Universal pensions were introduced as a fundamental human right in 1957.*

So, there have been universal old age pensions for nearly 50 years now. But until today old people still remember, and talk with anger about Government inspectors who used to come and check if you were a house-owner, or even owner of a goat or chickens – because the logic of targeting is that Government sets the rules for you to be entitled to this hand-out or that bit of charity, and then *checks on you*. Targeting means a return to the hideous Big Brother of the Poor Law times.

## **UN Covenant**

Mauritian old-age pensions as a human right dating from as early as 1957, means they even thus pre-dated the *United Nations Covenant on Social, Economic and Cultural Rights* of 1966, which formalized the concept of the fundamental human right to pensions. This was, however, already outlined in the 1948 UN Universal Declaration of Human Rights.

It seems that many Mauritian commentators are ignorant of the immense gains in human rights over the past 50 years, if we judge by all the editorialists bidding good-bye to fundamental human rights so blithely.

How many of the Mauritian intelligentsia are still stuck with the first generation human rights, dating from the end of the 18<sup>th</sup> Century, or even from the Magna Carta of 1215?

Can the Mauritian intelligentsia not see that *the right to a pension* is not at all the same thing as having to stick your hand out apologetically to the State for a *ti-lamone*.

It is worrying. Will the intelligentsia blithely let free education as a fundamental human right be destroyed? Will they, in future, let the human right to free health services be turned into its opposite?

## **Practicalities**

In order to be eligible for an old-age pension, you will have to produce proof that you earn less than Rs 20,000 per month. This at once means that all the less able people will have difficulty in proving eligibility. All the studies in the whole world have shown that targeted benefits do not reach the very poor. This is for the simple reason that beyond a certain degree of poverty, people are not in a position to “do the demarche” that means-testing demands.

This is the ordinary, practical effect of targeting.

It also means that people who are on bad terms with a neighbour will now find someone has “reported” him or her (falsely?) for having an economic activity that disallows a government pension.

## **Two types of children in public schools**

For school children, there will immediately be two kinds of children sitting in classrooms. Those who pay and those who have to bring complicated sets of papers.

Imagine at Queen Elizabeth when examination time comes. All the children of top cadres and capitalists will just happily bring their money in an envelope, because when you add their parents wages together, it turns out that they have to pay, while the others will have to queue up with papers proving they are relatively less well off, so that they can be “helped”. They will often be confronted with conversations like this: “Where is your father?” “No, you haven’t brought the necessary death certificate.” “Yes, but you need the divorce certificate.” “This isn’t a proper pay slip.” “I don’t care if your mother has emigrated to France; I need a paper.” And so on. Not to mention the fact that many workers don’t get pay slips anymore, as work has become more and more “precaire”. How will *they* prove their qualification for the examination fees. How will the unemployed prove their unemployment? The children of rather disorganized families – those struck by illness, prison-sentences, working at sea, divorce, feuds – will just give up on trying to get the subsidy, and probably on the examination altogether. How will they produce proof that their parents earn less than Rs30,000 per month?

## **The trajectory**

Of course, Pravind Jugnauth, relies on people being both stupid and disorganized enough that we won’t notice that his introduction of targeting is only the thin end of a wedge. Even if he had cut out only those who earn more than ONE MILLION RUPEES a month from benefits, and it was only a dozen people, the thin end of the wedge would still be there in his budget.

Next budget, or whenever a Finance Minister finds the “*poilon chaud*”, the income level (out of solidarity, of course) could just be lowered further. Income over Rs10,000 and you won’t get a pension. Next perhaps people whose children earn over a certain sum, won’t qualify. *Why should they*, the next Minister of Finance might say. Maybe someone who owns his or her own

house, won't get a pension. And so on. Why? Because *pensions won't be looked after as a fundamental human right anymore*. They will be subject to the silly logic of future finance ministers with bookkeeping skills of 5-year-olds. Just as Pravind Jugnauth has subjected pension rights to this silly logic.

### ***Costs of targeting***

Worldwide the costs of targeting always become prohibitive.

It costs a fortune to check on who does not deserve a benefit. An army of spies has to be employed. This army has often even been found to cost more than the difference between the universal and the targeted pensions. Spies have to check all sorts of things: Maybe this old-age pensioner sells eggs. Maybe this one runs a Tabagie in the name of her son. Maybe this child is getting a subsidy from the government for SC exam fees when her mother, although a poor widow, has a rich male visitor who stays over. And so, the mindless spiral of making the poor cower in exchange for a handout continues downward.

### ***The philosophy of universal old-age pensions***

The idea of old-age pensions as a fundamental human right is important. The idea stems from the fact that society as a whole has a collective responsibility for the basic well-being of people past work-age. Once human beings have lost access to the land, and no longer control this means of livelihood, we *all* have a right to an income to live from. Pension rights are part of the due to working people for their contribution to society as a whole, a due deferred until retirement age. Just being a human being entitles you to basic care and services, as a right, from birth till death.

In times when there is rising unemployment (which Pravind Jugnauth admits), where there is increasingly insecure work (which the Government actively promotes), where there is a large informal sector (which is true in Mauritius), where families are deep into debt, then pensions as a basic human right are essential, for the dignity of older people.

And in times, when private pensions schemes continue to crash, the very least society can do is to give every single old person a decent pension as a basic human right. Without anyone having to *prove* that they deserve it.

Rights are *not* something that people have to earn.

We all enjoy them.

So, we must protect them. Starting with protecting pension rights for all those over 60.

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