

ILO conclusions

Asia-Pacific Regional High Level Meeting on Socially-Inclusive Strategies to Extend Social Security Coverage

New Delhi, 19-20 May 2008

Introduction

1. The main objective of the meeting was to concretize the recommendations of the ILO Fourteenth Asian Regional Meeting (held in Busan in 2006) on social security: “*within the means available...establish benchmarks and good practices on the extension of social protection to all working women and men and their families...*” and provide orientation for the action of the International Labour Office in the framework of its Global Campaign on Social Security and Coverage for All (until 2015). The mandate of the Global Campaign – as laid down in the conclusions of the 89th session of the International Labour Conference (ILC) in 2001 - is inter alia to support countries to “*determine a national strategy for working towards social security for all*”¹. The conclusions of the 89th ILC reconfirmed the constitutional mandate of the ILO, to “*further among the nations of the world programmes which will achieve...the extension of social security measures to provide a basic income to all in need of such protection and comprehensive medical care*”. This mandate echoes the human right to social security, including health care, as it is laid down in Articles 22 and 25 of the Universal Declaration of Human Rights.
2. During two days of intensive deliberations the meeting:
 - identified a set of policies - based on the broad and innovative experiences of the countries in the region - within which participating countries can pursue effective and progressive extension of social security coverage to all in the formal and informal economy; and
 - provided guidance to the Office with respect to activities through which the ILO can support the process of extension and improvement of social security in the region.

¹ Cf. ILO: Social security - a new consensus, Geneva 2001

Brief summary of the discussions

3. The discussions focussed on the following issues:

A survey of recent experiences and developments in the region shows that most countries are actively pursuing the extension of coverage. In some cases this involves one or more of the following:

- increasing access to health care services to a large number of hitherto uncovered people (e.g. in China, India and Thailand)
- the establishment of universal, tax-financed pensions
- cash transfer programmes (whether conditional or unconditional) that include the design of dynamic new mechanisms that link employment and social security objectives
- the extension of existing social insurance coverage
- the modification of benefits provided by national provident funds
- the introduction and financing of community-based insurance schemes and private insurance schemes.

All these efforts sit well with the ILO Global Campaign on Social Security and Coverage for All that was launched in 2003.

The meeting participants shared a broad range of new national approaches and concepts relating to the execution and implementation of schemes, using public, private and community-based mechanisms as well as new ways to support wider national economic, labour market and social inclusion policies that can – after proper adaptation - be beneficial to a number of countries in the region.

The provision of “social security for all” is one of the pillars of the ILO Decent Work Agenda. For ILO constituents it is a social and economic necessity and a prerequisite for national and international development. It is a part of the ILO policy development paradigm. That policy paradigm is gaining ground rapidly as it is increasingly accepted by national development agencies, the United Nations and the G8. In turn it is also widely accepted that economic growth is necessary to create the fiscal space to ensure sustainable financing of transfers and health carer services.

The Office introduced the concept of a “Social Floor”. The possible components of the social floor were explored and possible elements, both inside and outside of the realm of social security proper (e.g. the concept of a living wage), were discussed. In relation to the social security component of the social floor and the realisation of the human right to social security, the Office suggested a set of four essential social security guarantees; guaranteed access to basic health benefits, guaranteed income security for children with the aim of facilitating access to basic education and health, social assistance for the poor and unemployed, and basic pensions to provide income security for people in old age, invalids and survivors. Calculations by the Office show that the implementation of such a modest set of basic guarantees, or at least the gradual and partial implementation of the package, appears affordable and sustainable in a number of countries of the region on the basis of current economic expectations.

The Director General and the Office have stressed that such a set of social security benefits form the basis for progressively higher levels of protection that countries could introduce, on the basis of national consensus, as economies develop further and the fiscal space increases.

It was stated that social security systems have played a major role in development. However, no system is perfect and no system will perform well unless it is constantly adapted to changing economic, demographic and political environments.

The meeting agreed that the ILO's constituents should jointly seek to understand the consequences of the accelerating pace of demographic change and economic progress within the Asia-Pacific region, and to put forward pragmatic proposals regarding those aspects of social security systems that require improvement. The meeting reiterated the central role of the state as the guarantor of the access of all residents to appropriate social security coverage, as well as the central role of employers and workers in the design and governance of national social security systems.

The debates showed that there is a need for further discussions on major new trends in the economic, social and labour market environments in which social security schemes operate; such as the changing nature of social needs, societies' priorities in social security, the changing notion of solidarity, the changing nature of labour contracts and the increasing flexibility of the labour market.

The meeting emphasized the role of the tri-partite partners in developing policies, the definition of cost structures, implementation mechanisms, scheme governance and evaluation needs. These are to be defined in the context of economic circumstances, national realities and diversities in countries of the region as well as applicable international standards.

A number of participants acknowledged the support of the ILO in the development of their national social protections system.

Future ILO activities in the region:

4. In the framework of the Global Campaign on Social Security and Coverage for All, the ILO is committed to supporting the accelerating trend towards broader coverage and improved governance of social security in Asia and the Pacific. In this framework, and that of the Campaign, the Office will focus strategically and firmly on practical outcomes. In the context of the Global Campaign, seven pragmatic questions will guide ILO support:
 - Do the schemes reach out to all - in particular to informal sector workers, women, unemployed persons, migrant workers and the poor?
 - Are the benefits effective in lifting people out of poverty and diminishing their vulnerability to falling back into poverty?
 - Do they provide benefits to people as of right, which are adequate, reliable and sustainable?
 - Are schemes financially and administratively sustainable in the long run?

- Is their design conducive to achieving higher levels of employment and good economic performance in general?
 - Is the system/scheme making efficient use of workers' and employers' taxes and contributions?
 - Are the schemes designed, managed and governed with the adequate and fair participation of the governments, employers and workers, on the basis of social dialogue and national consensus?
5. The Office considers that the historical evidence shows that countries can and do achieve growth simultaneously with equity. A key element for countries in achieving success in this regard is investment in improving systems of good governance. A set of concrete measures to support improvements in governance has already been developed and is ready to be implemented in support of the Asian Decent Work Decade (2006-2015), which was launched by the ILO's member States in August/September 2006. These measures range from the creation and dissemination of the knowledge base to the provision of advisory services and the monitoring of progress:
- (1) Knowledge base
- The ILO will develop a system of web-based platforms for the generation and dissemination of knowledge and the exchange of valuable first-hand experience among governments and social partner organisations as well as the provision of technical advice. We will promote the use of that instrument among our constituents in the region.
 - With the "New Inquiry" into social security, we are making available a tool that helps countries in the region monitor their progress in a comprehensive fashion and at the same time benchmark themselves against good practices in other countries. We would recommend all the ILO constituents support this inquiry.
- (2) Capacity building
- The ILO will continue organizing training activities for the staff of the social security institutions, government agencies, employers' and workers' organizations. These courses will cover a wide range of subjects, from policy design, legislation on social security, statistical, financial and actuarial matters, and the governance and management of social security. These courses will be organized in cooperation with the International Training Centre of the ILO in Turin, the International Social Security Association and the network of ILO partner universities.
- (3) Policy development
- The Office will continue providing advisory services covering legal and managerial matters in addition to appropriate quantitative assessments, which, according to circumstances, might include actuarial and social budget analyses of social security and health care. An important objective is to ensure that the progress towards coverage is compatible with economic and fiscal capacity and with the need to provide a basic set of social security benefits that could be described as a social security floor.
 - The Office will continue the process (on which it has already embarked) of reviewing social security standards to ensure that they best facilitate the design and

implementation of a basic set of social security guarantees. The Office will provide assistance to countries with the identification of the components of the social security floor on the basis of the national priorities established by each country in the knowledge of its own situation.

- We will continue to invite and technically support countries in ratifying the ILO social security conventions. We will also focus on assisting countries in closing coverage gaps, notably in the informal economy.

(4) Monitoring progress

- The Office strongly believes that countries will find it advantageous to subscribe to a simple review system that allows them to achieve self-monitoring of their progress with respect to population coverage, scope, adequacy of benefits and sustainability. Without such a mechanism progress is likely to be less rapid than it could be.

(5) Approach

- The core activities of the Office will be to strengthen the regional capacity building and advisory facility that will provide tailor-made services to national constituents. The Office will enhance and facilitate regional cooperation by seeking partnerships with national institutions in an effort to build a regional facility for advisory and training services.

(6) Framework

- The Office will pursue these activities within the framework of the National Decent Work Country Programmes of all countries in the region.

On behalf of all participants, the Office thanks the Government of India for its hospitality and for creating the opportunity to advance regional efforts to extend social security coverage. We also sincerely thank all participants for this encouraging debate. It has vividly shown that the engagement of member countries with every aspect of the ILO's work - not only in relation to the Global Campaign on Social Security and Coverage for All, but beyond it to the wider Decent Work Agenda and in particular the Asian Decent Work Decade (2006-2015) - is in good and capable hands in all countries in the region.