

**LAUNCH OF THE REPORT OF THE ASSESSMENT BASED  
NATIONAL DIALOGUE ON SOCIAL PROTECTION**

**Speech by Ms. Sezin Sinanoglu**

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Mr. Munkhbaatar, Vice-Minister for Population Development and Social Protection,

Mr. Batkhuyag, Vice Minister for Labour,

Mr. Amgalanbaatar, President of the Confederation of Mongolian Trade Unions,

Mr. Ganbaatar, Vice President of Mongolian Federation of Employers,

Distinguished Guests,

Friends and colleagues,

Ladies and Gentlemen,

Good Morning,

On behalf of the United Nations Country Team in Mongolia, a warm **welcome** to the launch of the report of the assessment based national dialogue on social protection.

Let me start by thanking the Ministry of Population Development and Social Protection for **their leadership** in conducting the dialogue process, and to the ILO for facilitating the dialogue among UN agencies and with the government, social partners and civil society.

A special word of thanks to the **Government of Japan** for its political and financial support without which the assessment could not have been accomplished.

Ladies and gentlemen,

*Social protection, a universal human right*

Today, we are not just introducing another UN report. We are celebrating the accomplishment of an intensive Mongolian dialogue over a period of more than a year. A dialogue based on the strong conviction that **social security is a human right** enshrined in the Universal Declaration of Human Rights.

*Why do we need social protection floors?*

The financial and economic crisis in 2008 left over 200 million people without a job and hundreds of millions of families at risk of losing the most basic form of income security. The United Nations responded with the **social protection floor initiative**.

The social protection floor realizes the human right to social security in the face of economic adversity. In essence, social protection floors are **a set of measures**, complementing inclusive growth, job creation, and environmental protection, to address the **multiple dimensions of poverty**. The basic income security guaranteed by the floor gives people the power to pursue economic opportunity and gives the economy the oxygen to sustain growth.

*What is a social protection floor?*

The idea of a social protection floor is simple. Everyone without exception is entitled to basic social guarantees: 1) essential health care; 2) basic income security for children to enjoy access to health, education and nutrition; 3) basic income security for people of working age in cases of sickness, unemployment,

accident, maternity and disability; and 4) basic income security for all older persons.

### *Global and regional endorsement*

In 2009, the concept of providing at least a minimum social protection floor based on the principles of universality and solidarity was endorsed **globally** by United Nations leaders. In 2012, governments, representatives of business and trade unions, from all over the world reinforced this commitment in the ILO pledging to take action to build social protection floors in every country. In **Asia**, ASEAN adopted a Declaration that calls for establishing a social protection floor in each of the ten Member States: Indonesia, the Philippines, Thailand, and Viet Nam, to name a few, all introduced the social protection floor concept among their social and economic development priorities.

In the report introduced today, Mongolia presents its own definition of a social protection floor and recommendations to move forward for its implementation.

### *In Mongolia*

Mongolia has a long **tradition of social justice** and social security in particular. The country continues to post impressive economic growth. The recent slowdown, however, has brought to the fore persistent poverty and sharp inequalities. The nationally defined social protection floor will make economic growth inclusive, make the sharing of economic gains more equitable and make sure that taxpayers do not foot the entire bill.

### *The assessment based national dialogue process and its reports*

The **report** before us today is not a United Nations report. It reflects a consensus built over a period of 18 months on the state of social protection in Mongolia, the cracks that cause people to slip through the social protection floor, and the recommendations to fill the cracks.

Particularly encouraging is the consensus view that **a social protection floor in Mongolia is not only socially imperative and economically desirable, but financially perfectly affordable.**

The report concludes that:

- Mongolia has progressed to a stage where health insurance covers nearly the entire population; at the same time, the **quality and accessibility of health care** must be further improved to encourage beneficiaries to buy insurance.
- Mongolia already supports extensive **income security for children**. This is an investment in the long-term economic opportunity of people, the productivity of the nation and thus the ability of the system to pay benefits in future. Benefits for every child should be maintained, particularly now that the cost of living is rising. Means-testing will not save the taxpayers' money, but will increase the risk that some children are left behind.
- Social insurance systems exist to protect people and their income against sickness, maternity, workplace accidents, and old age. For people to make their contributions, they must see the benefits. Government subsidies can go a long way in **supporting the contributions** of some people without being anywhere near as expensive as paying benefits for everyone directly out of state coffers.

#### *The cost of social protection floor and its financing*

In 2011 and 2012, Mongolia's state budget allocated around 9% of its GDP to social protection, mainly going to direct cash transfers, which was higher than the global average social protection expenditures of 6% of GDP. A social protection floor in Mongolia would cost at most 4.7% by 2020.

We do not believe that cash transfers can effectively and sustainably empower people. A universal social protection floor does not mean that all schemes will be tax-funded. The establishment of a social protection floor in Mongolia calls for

increased social insurance coverage and exploration of innovative ways to finance social protection, including partnership with private sectors.

We expect you to take prompt action for implementing these recommendations. The UN country team will include support to the realization of a social protection floor in the next UNDAF. We strongly encourage the coordination nascent from this national dialogue to be pursued under a common goal of completing soon a social protection floor in the country.

I wish the people of Mongolia prosperity and happiness and every effort to improve social protection success.

Thank you.