

TRIPARTITE REGIONAL MEETING ON SOCIAL PROTECTION & FORMALIZATION, (15-16 NOVEMBER 2022 - BANGOK THAILAND)

THE ILO ACTRAV SOCIAL PROTECTION RESOURCE PACKAGE

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What is social security/social protection?

- ▶ Social protection, or social security, is defined as the set of policies and programmes designed to reduce and prevent poverty and vulnerability across the life cycle.
- ▶ Social protection includes nine main areas: medical care, sickness benefit, unemployment benefits, old-age benefits, employment injury benefits, child and family benefits, maternity protection, disability benefits and survivors' benefits.
- ▶ Social protection systems address all these policy areas by a mix of contributory schemes (mainly social insurance) and non-contributory tax-financed schemes (universal/categorical schemes and social assistance).



▶ **Social Justice – it is a Human Right**

- ▶ Article 22 of Universal Declaration of Human Rights and Article 9 of ICESCR.

▶ **It contributes to growth:**

- ▶ Social and economic stabilizer in times of crisis and beyond
- ▶ Key element in promoting economic growth with equity
- ▶ Inequality is economically inefficient / dysfunctional
- ▶ Consumption concentrated in top income deciles in all countries, raising the income of the poor increases domestic consumption
- ▶ Enhances human capital and productive employment
- ▶ Social protection systems are key automatic stabilizers for the economy, contributing to higher resilience.

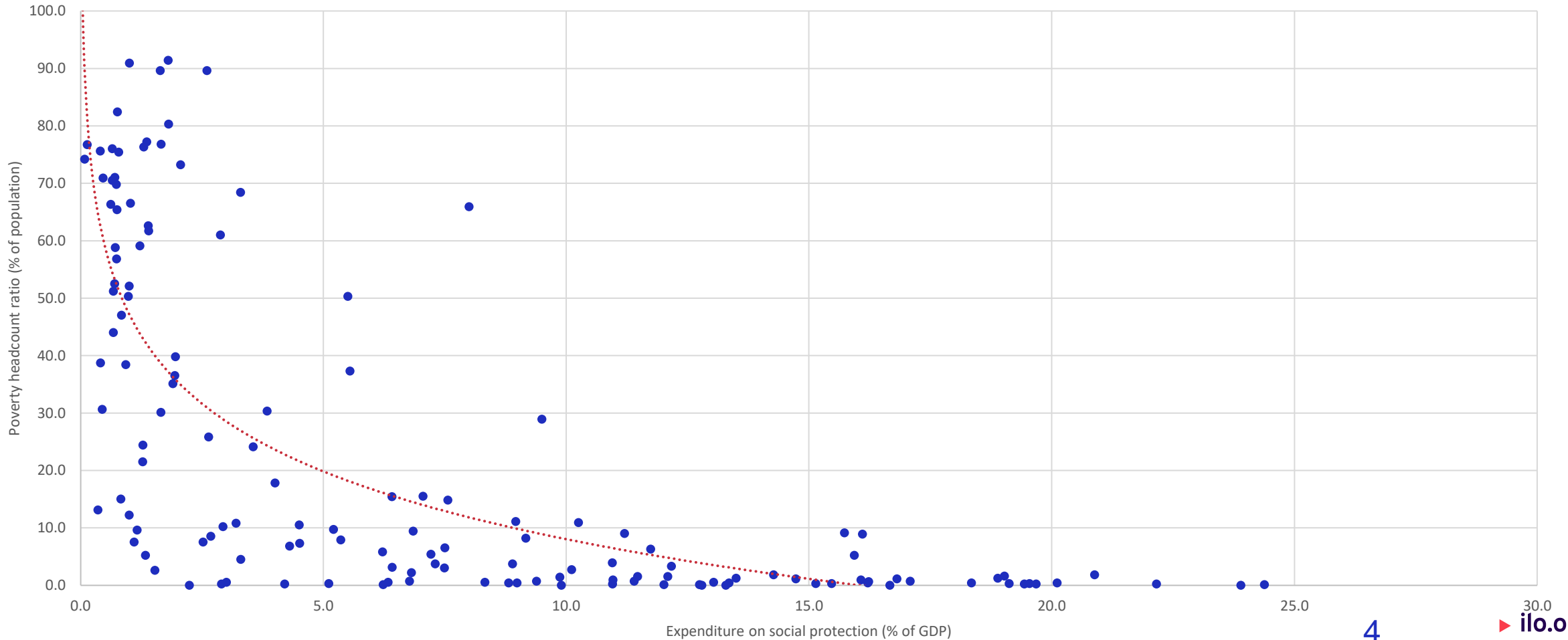
▶ **It advances social cohesion and builds political stability**

- ▶ Social benefits contribute to social cohesion and inclusion
- ▶ Poverty and gross inequities tend to generate intense social tensions and violent conflict.

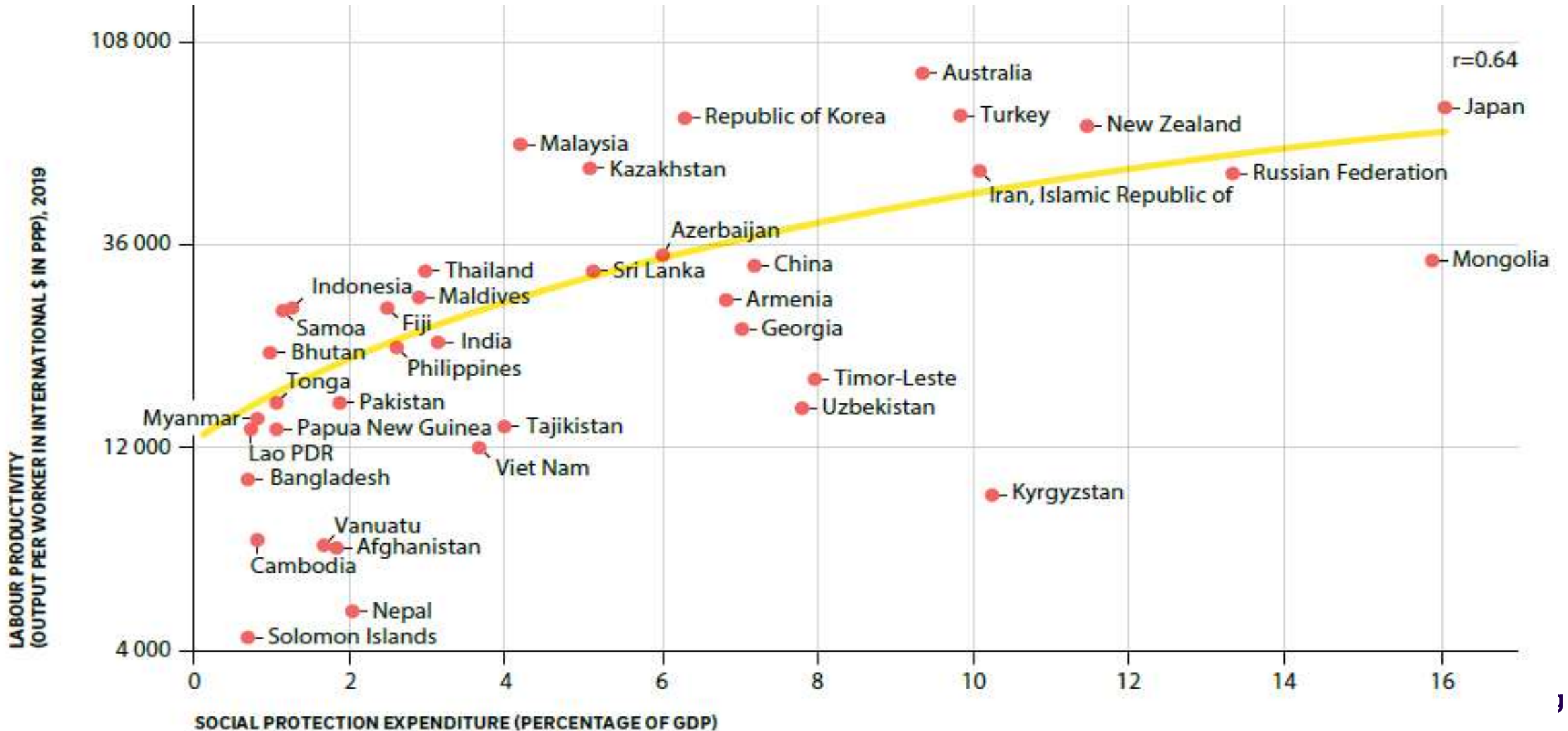


Why is it important to spend in social protection?

Strong correlation: Public social protection expenditure (%GDP) and proportion of the population in poverty, 2020 or latest available year



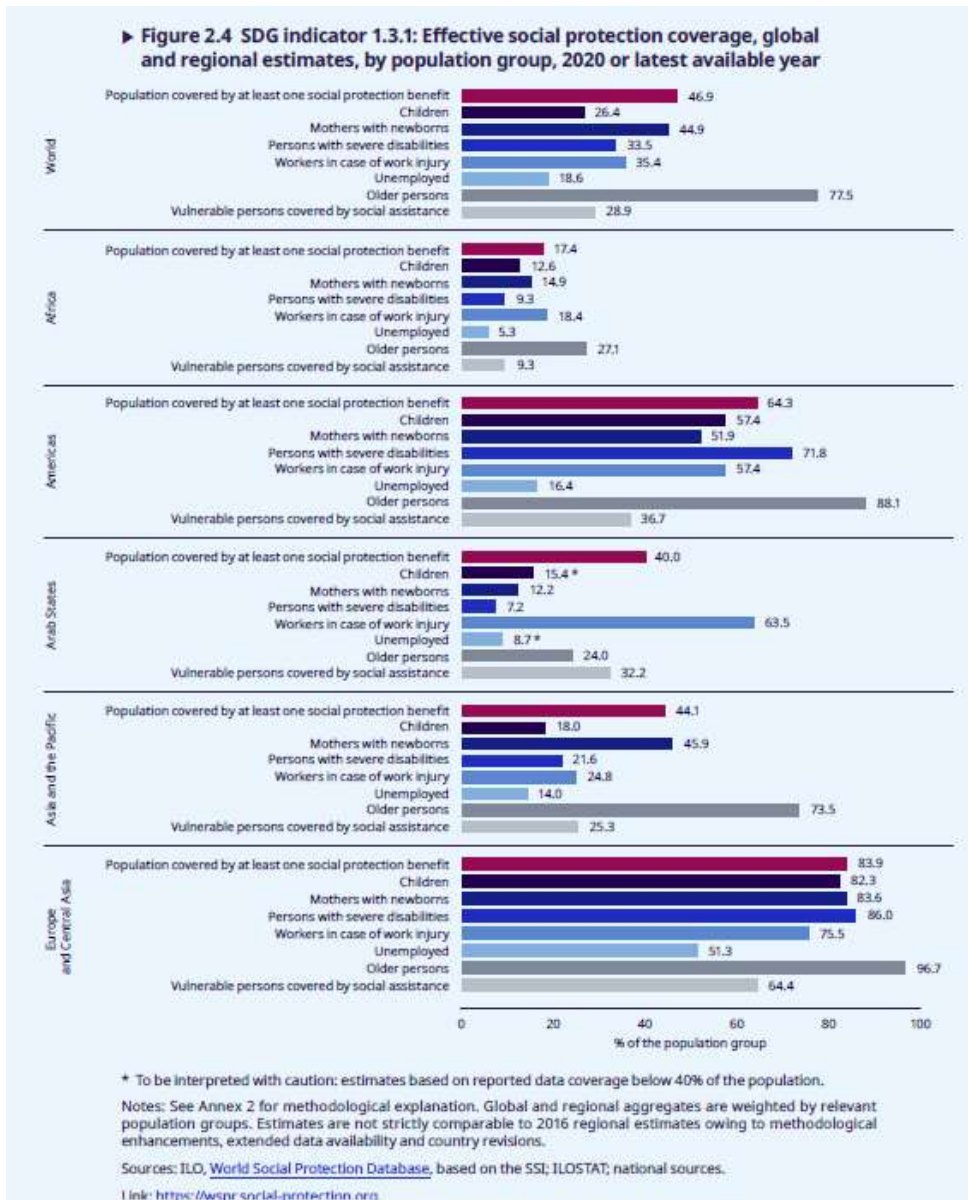
The positive link between social protection expenditure and labour productivity, Asia and the Pacific, 2019



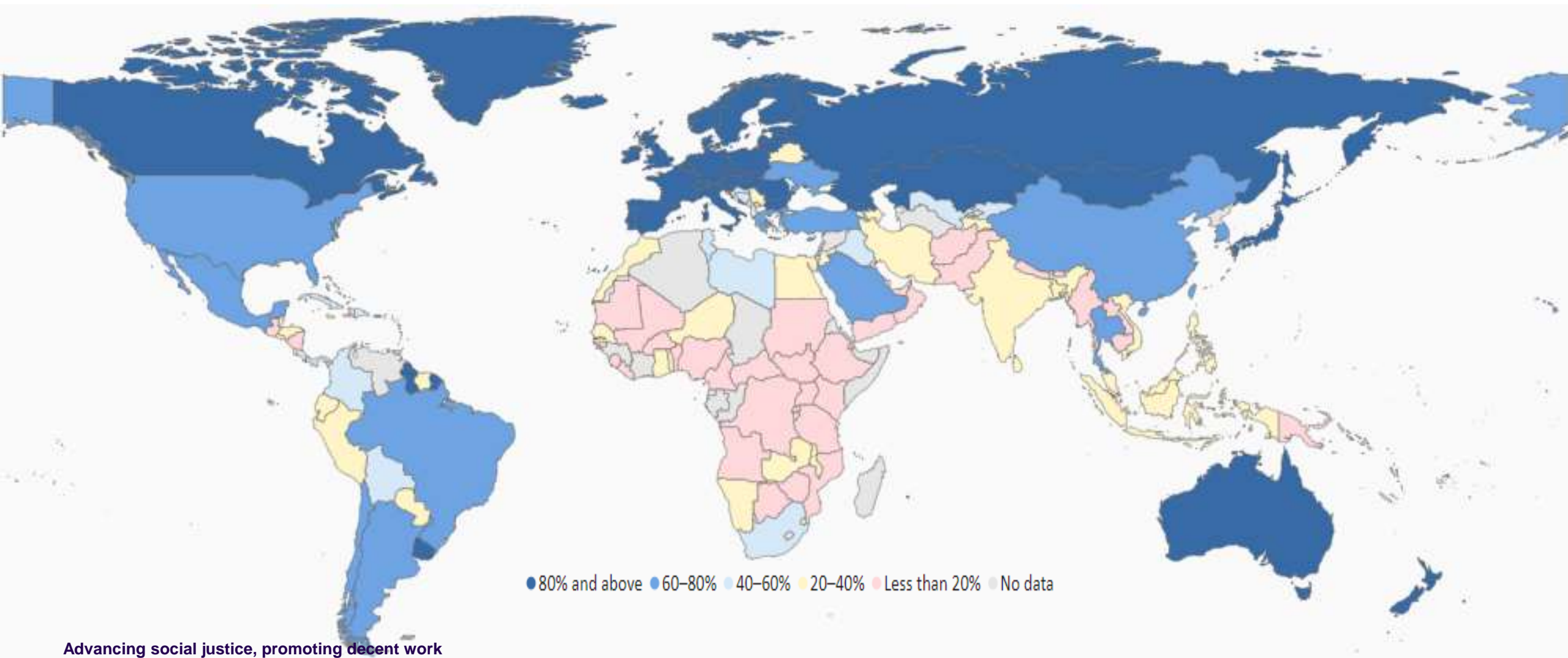
The state of social protection: progress made, but not enough

- ▶ The Covid-19 pandemic has exposed **deep-seated inequalities** and **significant gaps** in social protection coverage, comprehensiveness and adequacy across all regions and countries.
- ▶ **Less than half of the global population (46.9%)** are effectively covered by at least one social security cash benefit (SDG indicator 1.3.1).
- ▶ **Asia and the Pacific:**
 - ▶ **Despite a rapid socioeconomic ascent, most countries have weak social protection systems and only 44.1% of the population** are effectively covered by at least one social security cash benefit.
 - ▶ Most progress has been made in extending pension coverage, but **benefits are often insufficient to cover basic needs.**
 - ▶ **Most other branches have very low coverage** (i.e. unemployment protection at just 14%).

Effective social protection coverage, global and regional estimates, by population group, 2020 or latest available year



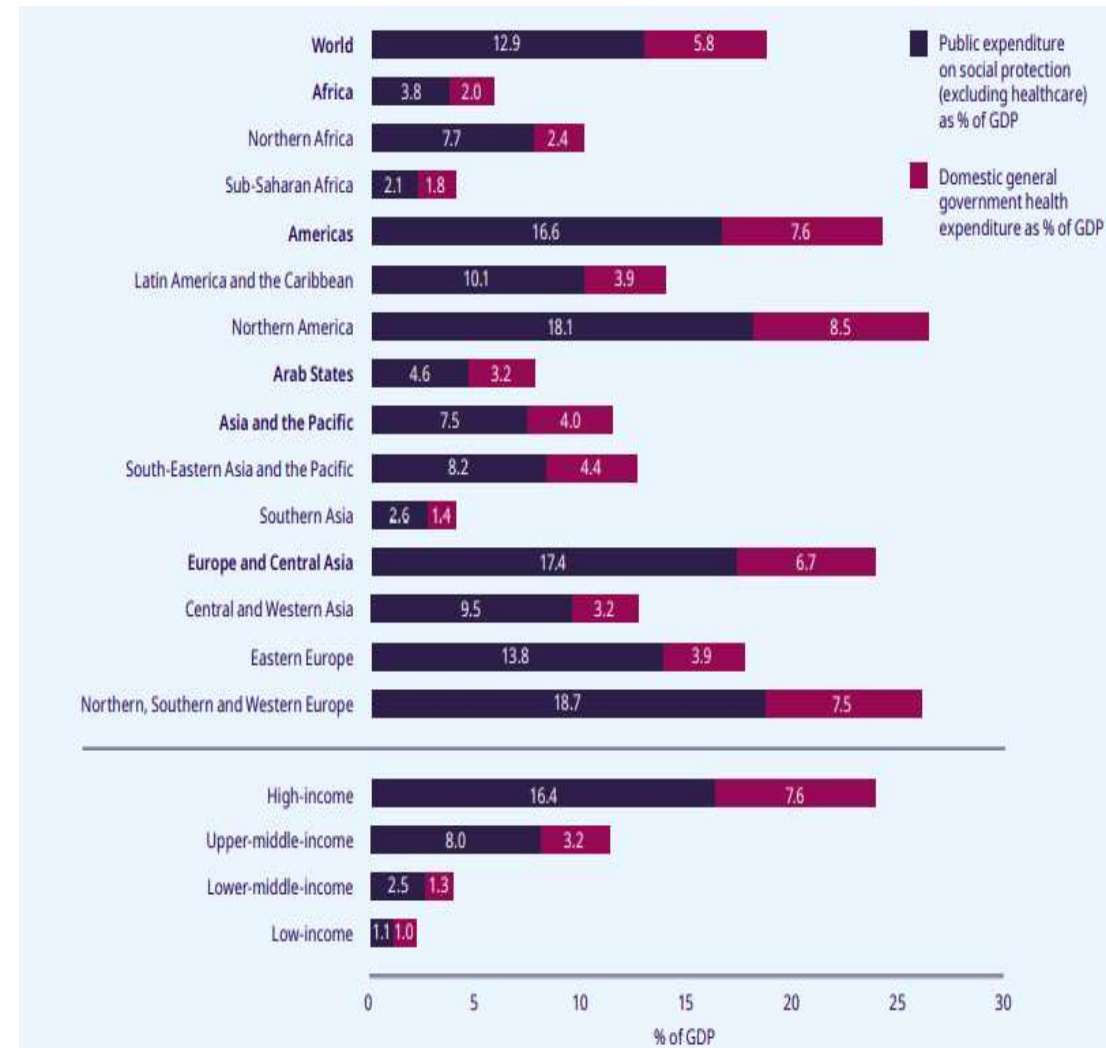
The COVID-19 pandemic exposed serious gaps in social protection systems: only 46.9% of the global population are effectively covered by at least one social security cash benefit (SDG indicator 1.3.1).— 7 4 billion people excluded from coverage prior to COVID-19



However, huge underinvestment in social protection prevails

- ▶ Social protection gaps are associated with **significant underinvestment**, especially in low-income countries. Social protection is still a low priority in many national budgets.
- ▶ Average **spending on social protection** globally is **12.9%** of GDP, and in the Asia and Pacific region it is **7.5%**. **Average health care expenditure** globally is **5.8%** and in Asia and the Pacific it is **4%**.
- ▶ Securing sustainable and adequate financing is essential, usually **through a combination of (progressive) taxation and social insurance contributions**.
- ▶ **Need for greater efforts, e.g. deeper public finance reforms** - that provide more investment to ensure adequate social protection for all and to achieve the SDGs.

Public social protection expenditure (excluding health) in per cent of GDP, global and regional estimates, latest available year ⁸



Note: Global and regional aggregates are weighted by GDP.

Sources: ILO, [World Social Protection Database](#), based on the SSI; WHO, IMF; national sources.

Link: <https://wspr.social-protection.org>.

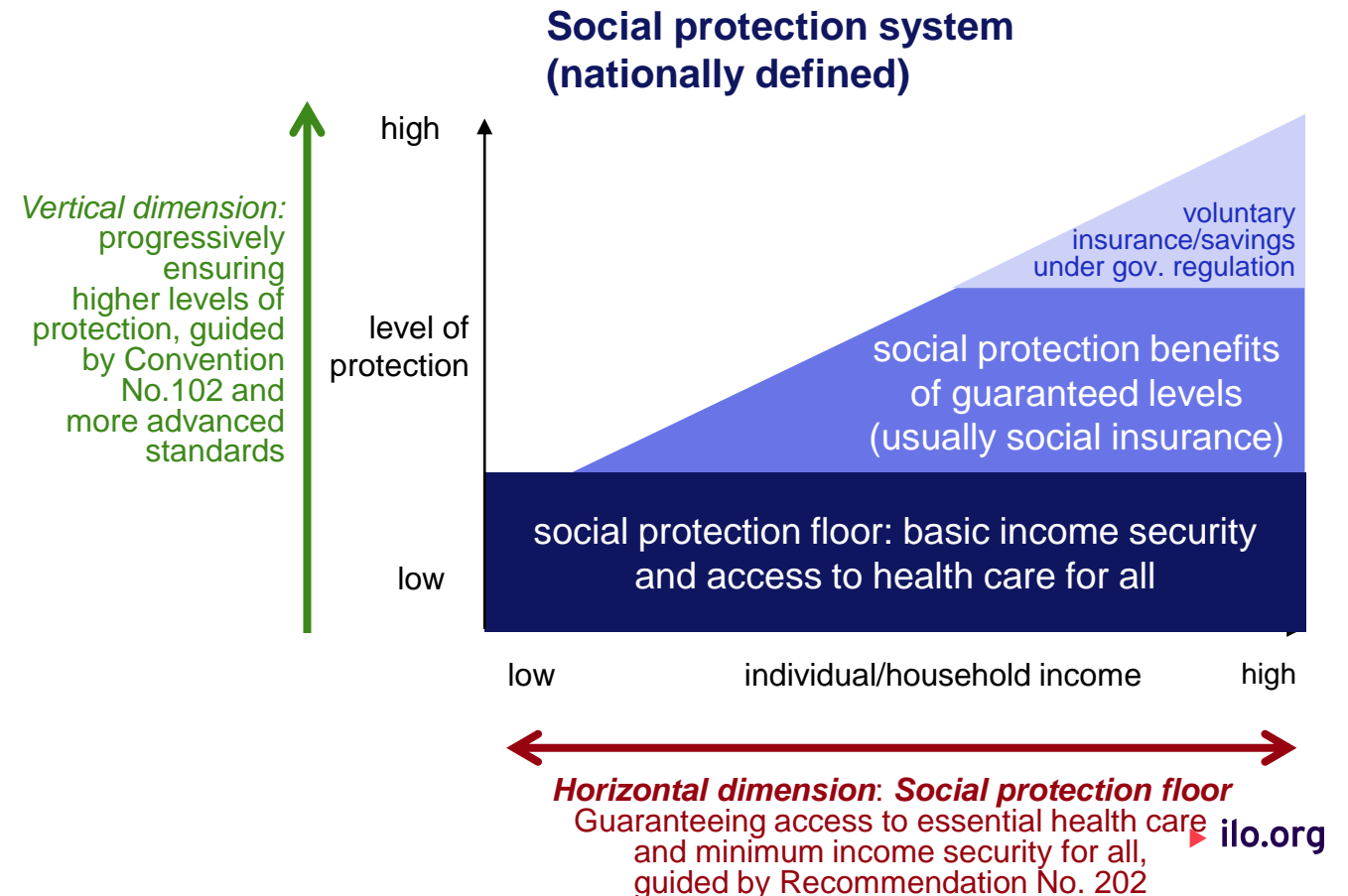
ILO's two dimensional social protection extension strategy:

Horizontal dimension in line with Recommendation No. 202
Vertical dimension in line with Convention No. 102

Social protection floor

- ▶ Everyone has **access to essential health care**, including maternity care.
- ▶ All **children** enjoy **basic income security**, providing access to nutrition, education, care, and any other necessary goods and services.
- ▶ All **persons in active age** who cannot earn sufficient income, enjoy **basic income security**, particularly in cases of sickness, unemployment, maternity, disability.
- ▶ All **older persons** enjoy **basic income security**.

Anchored in human rights framework and reflected in SDGs 1.3 and 3.8



Implementation of national floors and extension strategies should follow universal principles

- **General responsibility of the state for the proper administration of the social security system and due provision of benefits**

Policy design

- Universality of protection
- Entitlements prescribed by Law
- Adequacy and predictability
- Social inclusion, non-discrimination
- Respect for the rights and dignity

SPF part of a comprehensive system

- Progressive realization
- Diversity of methods and approaches
- Coherence with other policies

Financing

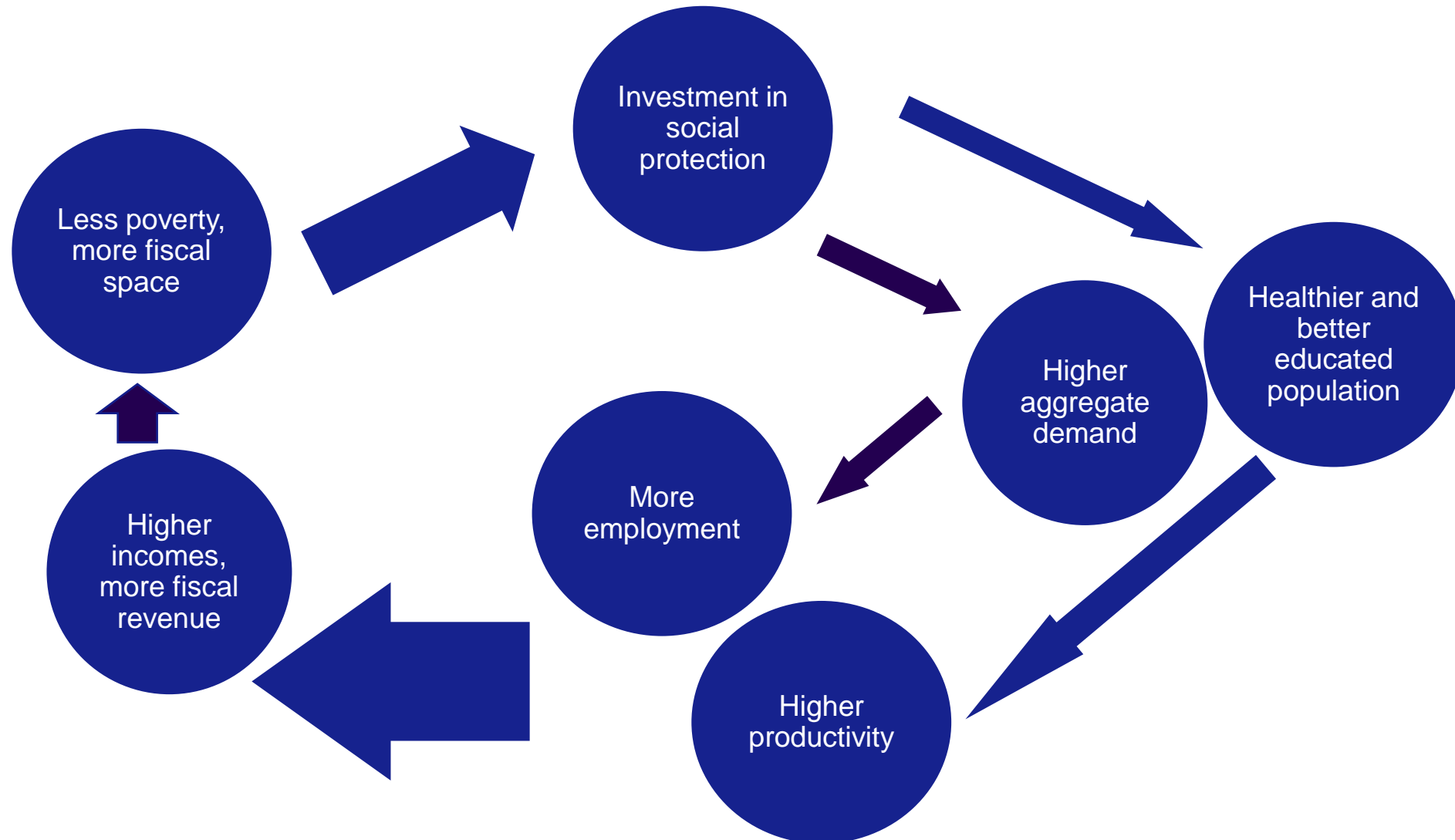
- Solidarity in financing
- Diversity of financing mechanisms
- Transparent, accountable and sound financial management
- Financial, fiscal and economic sustainability

Good governance

- Coherence across institutions
- Transparent, accountable and sound administration
- High quality public services
- Complaints and appeal
- Monitoring, evaluation
- Tripartite participation

- **Social protection policy design, its implementation, monitoring and evaluation should be based on social dialogue**

Longer-term framework: Over time investments in SP – together with other policies - may enhance fiscal space allowing further extension of social security



- ▶ Financing adequate, comprehensive social protection systems is feasible for the vast majority of countries. However, raising government revenue is needed in order to meet social protection financing needs. It is a matter of political will.
- ▶ Universal social protection systems should be achieved through a mix of different financing methods, mixing contributory and non-contributory schemes.
- ▶ Extending access to social protection for informal workers is needed whilst supporting the transition from the informal to the formal economy
- ▶ Social protection extensions must be considered within a broader agenda for decent work, including tackling precarious and non-standard forms of work and ensuring living wages.
- ▶ Social protection extensions must be based on national social dialogue. Social dialogue and consultations with social partners are particularly important for devising coordinated policy responses, including policy responses to the COVID-19 pandemic.
- ▶ Strengthening of the capacity of workers' and employers' organizations, is essential to ensure that effective social dialogue can take place and contribute to building coordinated policy responses to address the current crisis and recovery.
- ▶ As countries start to emerge from the crisis and pressures increase to put in place austerity measures, it will be crucial for social partners to be actively engaged and consulted to ensure that they can effectively shape any potential reform measures to safeguard social outcomes.



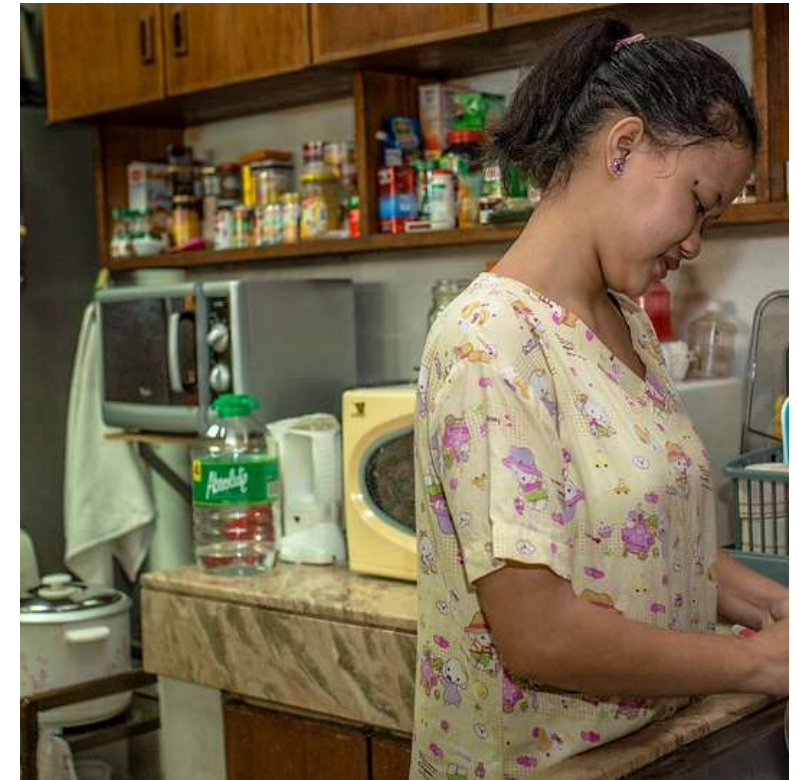
- ▶ Workers' organizations should play a key role in **strengthening social dialogue mechanisms and institutions.**
- ▶ **Workers' organizations have to increase their representative capacity through the development and implementation of innovative strategies and new services to attract, retain and represent all workers,** regardless of their vulnerability in the labour market and their employment relationships, including informal economy workers.
- ▶ As pressures increase to reduce spending and put in place **austerity measures**, workers' representatives have to be actively engaged and consulted to ensure that they can effectively shape any potential reform measures to safeguard social outcomes.
- ▶ Workers' organizations have an important role to play in **promoting the ratification, implementation and monitoring of the Social Security (Minimum Standards) Convention, 1952 (No. 102),** e.g. through initiating ratification campaigns as well as the **implementation of the Social Protection Floors Recommendation, 2012 (No. 202).**
- ▶ Workers' organizations play a key role in **disseminating information** to workers and raising their awareness about their social protection rights and obligations.
- ▶ Workers' organizations should also **assist their members in their interactions with social security institutions,** ensuring due contribution collection and provision of benefits.
- ▶ Workers' representatives on **tripartite boards of directors** of social security institutions should fight for good governance of the social protection system.
- ▶ Finally, it is important that workers' representatives engage with the **UN processes on sustainable development.**



Resolution and conclusions concerning the second recurrent discussion on social protection (social security) adopted by the ILC in 2021

The Resolution and conclusions concerning the second recurrent discussion on social protection adopted by the ILC in 2021 called upon:

- ▶ ILO Member States, with the support of the Organization, to commit with strong political will and through strong social dialogue to build and maintain universal, comprehensive, sustainable, and adequate social protection systems, and
- ▶ The ILO to strengthen all forms of social dialogue, including collective bargaining mechanisms, and reinforce the capacities of social partners to engage in the formulation, implementation and monitoring of national social protection policies.



Four Policy Briefs and one Workers' Guide:

- ▶ The brief on **Extending social protection coverage to informal economy workers** aims at helping workers' to better understand the complexity of and the challenges for extending social protection coverage to workers in the informal economy, and the different policy choices which countries have implemented to overcome these challenges.
- ▶ The brief on **Creating fiscal space for financing social protection** intends to provide workers' with a better understanding of the challenges related to the creation of fiscal space for social protection financing and the different policy options to overcome these challenges.
- ▶ The brief on **Pension models worldwide from an ILO perspective** evidences that workers' organizations can make a vital contribution to informed discussions on pension reforms and their implementation at the national level.
- ▶ The **Workers' guide to ILO Conventions concerning minimum standards of social security** focuses in particular on the Social Security (Minimum Standards) Convention No. 102 - the ILO's flagship social security Convention establishing worldwide-agreed qualitative and quantitative minimum standards for all nine branches of social security.



Thank you

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