Social security for social justice and a fair globalization

Over the past several years, the ILO has adopted a number of measures designed to promote social security coverage for the vast majority of the world's workers who currently lack coverage. Yet, in a world marked by rapidly spreading financial and economic fluctuations, the capacity of individuals to cope alone with economic risks is even more limited than before. It is in this context that the 100th Session of the ILC in June 2011 will discuss the strategic objective of social protection and specifically focus on social security.

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The Conference report "Social security for social justice and a fair globalization" will be the basis for discussions at the ILC. What does it say on the state of social security around the world?

The report shows that while progress has been made in the extension of social security coverage in some parts of the world, elsewhere stagnation and even contraction have occurred. Some level of social security protection exists in nearly all countries, though only a minority provide protection in all branches. In many parts of the world, coverage is limited to a few branches of social security, and only a minority of the population has access – both legally and in practice – to existing schemes. Also, in many places, the growing incidence of informal work led to stagnant or even declining rates of coverage. As a result, the great majority of the world population still lacks access to social security coverage.

What is the main priority for the extension of social security?

The first priority today is to provide the 75–80 per cent of those who are excluded with some form of social security, which will allow them to live without fear of losing their livelihood.

Clearly, women and men, as well as children, have a right to social security. The universal need for social security has been recognized by the world community as a human right. But the report goes further by insisting that social security is also a necessity. It is an economic necessity as it facilitates productive employment, enhances productivity and strengthens economic resilience. It is also a social and political necessity as it reduces poverty and vulnerability and promotes social cohesion. Financial and economic fluctuations now have an immediate effect on labour markets and social welfare, so the capacity of individuals to cope alone with economic risks is more limited than before. The risks and opportunities inherent in globalization require effective social security. Also, national social security systems need to be stronger than ever to neutralize additional global risks such as pandemics and the expected effects of climate change. The priority thus is to provide, as quickly as possible, access to at least a basic package of social security benefits, that is a social protection floor, for all those until now deprived of it.

However, economic and social conditions vary from one country to another. Can we really afford social security everywhere?

Given the glaring need for social security and its enormous potential to help close the poverty gap, increase equality and foster economic performance, perhaps the most optimistic conclusion is that something can be done nearly everywhere. Once political will is in place, objectives are clearly, realistically and pragmatically established, institutions and fiscal space can be created to gradually put in place priority social security benefits and services in the form of a social protection floor even in the poorest countries. Then, along with further development, those countries can gradually build comprehensive social security systems. Also, developed and comprehensive social security systems need to be kept up to date through investment in good governance in order to remain relevant. One of the prerequisites for responsive governance is investment in the people who design, run and govern the system. That, also, is something that can be done everywhere.

How can good governance contribute to the extension of social security?

The report says that good and responsible social governance is indeed the central challenge to all national social security systems. With good governance, schemes can be set up and resources can be allocated (even if modest at first) to bring an adequate level of social security. Fiscal space and policy space need to be created by political will and investment in effective institutions. These economic and social policies should focus on the objectives of productive employment and decent work backed up by good governance based on well-informed social dialogue.

Finally, do you consider that social security can play more than just a social role?

Yes indeed. The report concludes that social security, in addition to its primary social role, is an investment in social and economic development, helping not only societies to be resilient in times of economic crisis but also to exploit its full productive potential and hence achieve desired levels of welfare for all its members. There will be no universal acceptance of globalization unless we set up higher levels of social security. People need a minimum level of security to accept the risks of change.