Universal social protection to achieve the Sustainable Development Goals

Isabel Ortiz
Director Social Protection Department ILO
• Global overview on trends in social protection systems, including floors, following a lifecycle approach
• Social protection includes child and family benefits, maternity protection, unemployment support, employment injury benefits, sickness benefits, health protection, disability benefits, survivors’ benefits and old-age pensions, in cash or in kind
• Universal social protection is generally achieved by a combination of contributory schemes (social insurance) and non-contributory tax-financed benefits, including social assistance
• New estimates on effective social protection coverage to monitor SDG target 1.3
Social protection in the Sustainable Development Agenda (SDGs) to leave no one behind

**SDG Target 1.3:**
“Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable”

Fully aligned with the ILO Social Protection Floors Recommendation, 2012 (No. 202), endorsed by the UN

**SDG Indicator 1.3.1:** Proportion of population covered by social protection systems and floors, by sex, distinguishing children, unemployed persons, older persons, persons with disabilities, pregnant women with newborns, work-injury victims and the poor and the vulnerable
Data sources

The Report is based on data from the World Social Protection Database, the most comprehensive source of data on social protection worldwide.

- The World Social Protection Database comprises information from 214 countries and territories.
- Data come mainly from the ILO Social Security Inquiry (SSI), an administrative survey compiled by the ILO from countries since 1949, regularly updated.
- Complemented with data from the International Social Security Association (ISSA).
- Other sources of data include official databases of the World Bank, OECD, Eurostat, IMF, ECLAC, ADB, and AfDB, among others.
Social security is a universal human right, but…

Only 45% of the world population is covered by at least one social protection benefit (SDG indicator 1.3.1)

4 billion people (55%) are still unprotected

If we consider all areas of social protection from child benefits to old-age pensions

Only 29% of the global population has access to comprehensive social protection

5.2 billion people (71%) are not, or only partially, protected

Source: ILO World Social Protection Report 2017-19, mainly based on Social Security Inquiry
Large coverage gaps, particularly in Africa, Arab States and Asia

SDG indicator 1.3.1: Effective social protection coverage, population covered by at least one social protection benefit (%)

<table>
<thead>
<tr>
<th>Region</th>
<th>Coverage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>45.2</td>
</tr>
<tr>
<td>Europe and Central Asia</td>
<td>84.1</td>
</tr>
<tr>
<td>Americas</td>
<td>67.9</td>
</tr>
<tr>
<td>Asia and the Pacific</td>
<td>38.9</td>
</tr>
<tr>
<td>Africa</td>
<td>17.8</td>
</tr>
</tbody>
</table>

The SDGs call for universal social protection. More efforts are needed to extend coverage and ensure adequate benefits.

Source: ILO World Social Protection Report 2017-19, mainly based on Social Security Inquiry
But developing countries rapidly expanding social protection - many achieved universal coverage

- Argentina
- Azerbaijan
- Belarus
- Bolivia
- Botswana
- Brazil
- Cabo Verde
- Chile
- China
- Cook Islands
- Georgia
- Guyana
- Kazakhstan
- Kiribati
- Kosovo
- Kyrgyz Republic
- Lesotho
- Maldives
- Mauritius
- Mongolia
- Namibia
- South Africa
- Swaziland
- Tanzania (Zanzibar)
- Thailand
- Timor-Leste
- Trinidad and Tobago
- Ukraine
- Uruguay
- Uzbekistan

Example: China
Expansion of old-age pension coverage over 2001-2013

Source: www.universal.social-protection.org
Social protection for children and families
Almost two-thirds of children globally are not covered

Without social protection, children:
- May not be able to go to school or access health
- Less well nourished
- At risk of child labor
- Lower human capital, lower future productivity

**SDG indicator 1.3.1 on effective coverage for children and families**

<table>
<thead>
<tr>
<th>Region</th>
<th>Coverage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>34.9</td>
</tr>
<tr>
<td>Europe and Central Asia</td>
<td>87.5</td>
</tr>
<tr>
<td>Americas</td>
<td>66.2</td>
</tr>
<tr>
<td>Asia and the Pacific</td>
<td>28.1</td>
</tr>
<tr>
<td>Africa</td>
<td>15.9</td>
</tr>
</tbody>
</table>

**children/households receiving child/family cash benefits (%)**

Only **35%** of children worldwide enjoy effective access to social protection

1.3 billion children are still unprotected

Source: ILO World Social Protection Report 2017-19, mainly based on Social Security Inquiry
Overview of child/family benefit schemes

186 countries under study (100%)

**Child/family benefit scheme (periodic cash benefits) anchored in national legislation**
117 countries (63%)

**Employment-related scheme**
- Only
  - 34 countries (18%)

**Employment-related scheme**
- and non-contributory means-tested scheme
  - 14 countries (8%)

**Non-contributory**
- means-tested scheme only
  - 37 countries (20%)

**Non-contributory universal scheme only**
- 32 countries (17%)

No child/family benefit scheme anchored in national legislation
69 countries (37%)

Some of these countries have social assistance programmes for children not anchored in national law (including pilot programmes), or general social assistance programmes (no specific child/family benefits)

Note: * Employment-related schemes include those financed through contributions from employers and workers, as well as those financed exclusively by employers. Certain employment-related schemes are also means- or affluence-tested. The share is expressed as a percentage of the total number of countries for which data are available.

Source: ILO World Social Protection Report 2017-19
Significant underinvestment in children

On average, only 1.1% of GDP is allocated to social protection for children (excluding health).
Main trends in social protection for children

• **Universal social protection** for children achieved in some countries, such as Argentina, Chile and Mongolia; many other countries extending coverage

• Other countries **undergoing austerity or fiscal consolidation** cut allowances, narrow-target to the poor and limit coverage, excluding children from their right to social protection

! **Significant efforts** are needed so that short-term fiscal adjustment does not undermine long-term progress

Source: ILO World Social Protection Report 2017-19
Social protection for women and men of working age
59% of mothers with newborns remain uncovered

**41%** of mothers with newborns worldwide receive a maternity cash benefit

Universal maternity coverage was achieved in **Ukraine and Uruguay**

Significant progress was achieved in **Argentina, Mongolia and South Africa**

Large coverage and adequacy gaps remain in many parts of the world

Mothers without benefits tend to deliver at home and work the next day

Parental leave (including paternity leave) also critical for gender equality

**83 million** new mothers are still unprotected

<table>
<thead>
<tr>
<th>Region</th>
<th>Coverage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>41.1</td>
</tr>
<tr>
<td>Europe and Central Asia</td>
<td>81.4</td>
</tr>
<tr>
<td>Americas</td>
<td>68.6</td>
</tr>
<tr>
<td>Asia and the Pacific</td>
<td>33.4</td>
</tr>
<tr>
<td>Africa</td>
<td>15.8</td>
</tr>
</tbody>
</table>

SDG indicator 1.3.1 on effective coverage for mothers with newborns

Source: ILO World Social Protection Report 2017-19, mainly based on Social Security Inquiry
Only one in five unemployed workers worldwide are covered by unemployment benefits.

152 million unemployed workers are unprotected.

SDG indicator 1.3.1 on effective coverage for unemployed persons:
- World: 21.8%
- Europe and Central Asia: 42.5%
- Asia and the Pacific: 22.5%
- Americas: 16.7%
- Africa: 5.6%

Unemployed receiving unemployment cash benefits (%)

Expansion of unemployment protection in various middle- and low-income countries, such as in Cabo Verde and Vietnam.

Scaling down of protection in other countries, often as a result of austerity policies.

Unemployment protection can support structural change of the economy.

78% of unemployed workers worldwide are not covered.

Only a minority of the global labour force has effective access to employment injury protection.

In low- and middle income countries, a large majority of workers are not protected in case of employment injury.

Industrial accidents such as the Rana Plaza tragedy underline the importance of employment injury protection.

A number of countries move away from employer liability systems towards employment injury insurance systems.

SDG indicator 1.3.1

Social protection for persons with disabilities
72% of persons with disabilities worldwide are not protected

Social protection for persons with disabilities ensures their income security, promotes independent living and access to decent work.

Only **28%** of persons with disabilities have effective access to disability benefits.

<table>
<thead>
<tr>
<th>Region</th>
<th>SDG indicator 1.3.1 on effective coverage for persons with severe disabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>27.8</td>
</tr>
<tr>
<td>Europe and Central Asia</td>
<td>86.7</td>
</tr>
<tr>
<td>Americas</td>
<td>72.9</td>
</tr>
<tr>
<td>Asia and the Pacific</td>
<td>9.4</td>
</tr>
</tbody>
</table>

Persons with severe disabilities receiving a disability cash benefit (%)

Overview of disability cash benefit schemes

Information available for 186 countries (100%)

<table>
<thead>
<tr>
<th>Statutory disability schemes providing periodic cash benefits</th>
<th>No cash periodic disability benefit programme anchored in national legislation</th>
</tr>
</thead>
<tbody>
<tr>
<td>170 countries (91%)</td>
<td>16 countries (9%)</td>
</tr>
<tr>
<td><strong>CONTRIBUTORY</strong></td>
<td></td>
</tr>
<tr>
<td>Social insurance only</td>
<td>Contributory scheme, non-contributory means-tested and non-contributory universal scheme</td>
</tr>
<tr>
<td>92 countries (44%)</td>
<td>21 countries (11%)</td>
</tr>
<tr>
<td>Social insurance and other contributory scheme</td>
<td>36 countries (19%)</td>
</tr>
<tr>
<td>9 countries (5%)</td>
<td></td>
</tr>
<tr>
<td>Mandatory individual account</td>
<td>2 countries (1%)</td>
</tr>
<tr>
<td>2 countries (1%)</td>
<td></td>
</tr>
<tr>
<td><strong>NON-CONTRIBUTORY</strong></td>
<td></td>
</tr>
<tr>
<td>Means-tested scheme only</td>
<td>Contributory scheme, non-contributory universal scheme</td>
</tr>
<tr>
<td>2 countries (1%)</td>
<td>2 countries (1%)</td>
</tr>
<tr>
<td>Universal scheme only</td>
<td></td>
</tr>
<tr>
<td>5 countries (3%)</td>
<td></td>
</tr>
<tr>
<td>Universal and means-tested scheme</td>
<td></td>
</tr>
<tr>
<td>1 country (1%)</td>
<td></td>
</tr>
</tbody>
</table>

Main trends in social protection for persons with disabilities

- Universal social protection for persons with disabilities has been achieved in Brazil, Chile, Mongolia, and Uruguay, and significant progress in extending disability benefits in countries, such as Kyrgyzstan, Nepal, and South Africa.

- The majority of countries are extending disability protection, but other countries are cutting rights-based universal disability benefits as part of austerity or fiscal consolidation policies and narrow-target to the poor only.

Greater efforts to close the gaps for persons with disabilities are necessary to ensure income security and promote independent living.

Social protection for older persons
Old-age pensions are essential in ensuring income security for women and men as they grow older.

Those uncovered tend to work until death.

68% of older persons receive a pension worldwide.

Only 20% of older persons in most low-income countries receive a pension.
Persistently gender gap in access to old-age pensions

SDG indicator 1.3.1 on effective coverage for older persons: Percentage of persons above statutory pensionable age receiving an old-age pension, by sex (selected countries)

The gap is largely associated with gender inequalities in the labour market.

Non-contributory pensions can play a key role in filling gender gaps, yet benefit levels are often low.

## Overview of old-age pension schemes

<table>
<thead>
<tr>
<th>Old-age pension schemes anchored in national legislation providing periodic cash benefits</th>
<th>No old-age pension scheme anchored in national legislation providing periodic cash benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>186 countries (97%)</td>
<td>6 countries (3%)</td>
</tr>
</tbody>
</table>

### Contributory

1. **Contributory scheme only**
   - 72 countries (39%)

2. **Contributory scheme and non-contributory means-tested scheme**
   - 64 countries (34%)

3. **Contributory scheme and non-contributory pensions-tested scheme**
   - 23 countries (12%)

4. **Contributory scheme and non-contributory universal scheme**
   - 14 countries (8%)

### Non-Contributory

1. **Non-contributory means-tested scheme only**
   - 2 countries (1%)

2. **Non-contributory pensions-tested scheme only**
   - 1 country (1%)

3. **Non-contributory universal scheme only**
   - 10 countries (5%)

Public expenditure on old-age pensions and other benefits

Public social protection expenditure on pensions and other benefits, excluding health, for persons above statutory pensionable age (% of GDP), and share of older population 65 and above in total population (%)

On average, 6.9% of GDP is allocated to social protection for older persons

Source: ILO, World Social Protection Report 2017-19, mainly based on Social Security Inquiry
Main trends in social protection for older persons

• **Universal pension coverage** achieved in a significant number of countries, such as Argentina, Belarus, Bolivia, Botswana, Cabo Verde, China, Georgia, Kyrgyzstan, Lesotho, Maldives, Mauritius, Mongolia, Namibia, Seychelles, South Africa, Swaziland, Timor-Leste, Trinidad and Tobago, Ukraine, Uzbekistan and Zanzibar (United Republic of Tanzania)

• **Expansion of non-contributory pensions** in developing countries

• Noticeable trend of **reversal from pension privatizations** to public schemes, including in Argentina, Bolivia, Hungary, Kazakhstan and Poland

• **Challenging balance between financial sustainability and adequacy**

• **Recent austerity or fiscal consolidation trends** affect the adequacy of pension systems

Austerity or fiscal consolidation measures affect the adequacy of pension systems

Average replacement rates at retirement in public pension schemes in 2013 and projected for 2060, selected European countries (per cent)

Pension levels in at least 19 EU countries are estimated to decrease by 2060

Old-age poverty rising in most countries

Source: European Commission, 2015, Adequacy and sustainability of pensions
Large gaps in health coverage and access to health care, especially in rural areas

56% of the global rural population lacks health coverage...as compared to 22% of the urban population

Largest exclusions of rural populations are observed in Africa and Asia

Global shortfall of health workers (10.3 million)

- Rural deficit of 7 million
- Urban deficit of 3 million

In rural areas, per capita health spending is only half of that in urban areas

Gaps in legal coverage to long-term care (LTC)

46% of the global population are largely excluded due to narrow-means testing.

Only 6% of the global population are covered by LTC protection.

48% of the global population are not covered due to a lack of legal coverage for LTC.

Global shortage of long-term care workers for older persons

### Region

<table>
<thead>
<tr>
<th>Region</th>
<th>Shortage of LTC workers (million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>1.5</td>
</tr>
<tr>
<td>Americas</td>
<td>1.6</td>
</tr>
<tr>
<td>Asia and the Pacific</td>
<td>8.2</td>
</tr>
<tr>
<td>Europe</td>
<td>2.3</td>
</tr>
<tr>
<td>Total</td>
<td>13.6</td>
</tr>
</tbody>
</table>

**13.6 million**

Long-term care workers are needed globally to deliver care services for older persons.

**More than half**

Of the world’s older persons have no access to LTC due to an insufficient number of skilled LTC workers needed to deliver services.

Main trends in health protection

• Universal health coverage – China, Colombia, Rwanda and Thailand. Many other countries advance quickly towards universal health coverage

• Austerity or fiscal consolidation policies throughout the world, including in high-income countries, have a negative impact on the people

More efforts are needed to extend access to health and long-term care, and to provide universal health coverage

Building social protection systems and floors
Social protection systems: a story of success over 100 years

Scope of legal coverage

- Comprehensive scope (all 8 policy areas)
- Nearly comprehensive scope (7 policy areas)
- Intermediate scope (5–6 policy areas)
- Limited scope (1–4 policy areas)
- No data

Progress by social security area

% of countries with social security schemes anchored in national legislation, by policy area (branch)

Ratification of up-to-date ILO Social Security Conventions

C.102 and at least one other up-to-date Social Security Convention (44 countries)
C.102 only (11 countries)
At least one other up-to-date Social Security Convention other than C.102 (33 countries)
No up-to-date Social Security Convention

The challenge for the future: closing persistent coverage gaps... and ensuring adequate benefits

Only **45%** of the world population is covered by at least one social protection benefit (SDG indicator 1.3.1).

55% (4 billion) are still unprotected

More efforts are needed:

- Strengthen national social protection systems, including floors
- Extend coverage to those in the informal economy and facilitate their transition to the formal economy
- Ensure benefit adequacy

SDG indicator 1.3.1

Source: ILO, World Social Protection Report 2017-19, mainly based on Social Security Inquiry
Extending coverage to those in the informal and rural economy and facilitating their transition to the formal economy

Half of the global workforce is in informal employment, many of them in rural areas. Most of them lack access to social protection.

Coverage to those in the informal and rural economy can be extended through:

- through contributory mechanisms
- through non-contributory mechanisms (social transfers)
- through a combination of both

Number of registered monotax enterprises and insured members, Uruguay, 2006–13

Moving forwards towards universal social protection requires efforts in a number of areas

• Strengthening inclusive social protection systems, including floors, ensuring the inclusion of persons with disabilities, indigenous peoples, persons living with HIV/AIDS etc.
• Ensuring social protection for migrants and their families
• Building social protection systems in crisis and fragile contexts
• Tackling demographic change
• Social protection also necessary to facilitate mitigation and adaptation to climate change
• Importance to adapt social protection systems for the future of work

Underinvestment in social protection

Public social protection expenditure, excluding health, latest available year (percentage of GDP)

Coverage gaps are associated to underinvestment in social protection

Negative impacts of austerity or fiscal consolidation cuts: narrow-targeting or eliminating schemes

## Short-term austerity or fiscal consolidation setbacks

### Main adjustment measures considered by region, 2010–15 (number of countries)

<table>
<thead>
<tr>
<th>Region/income</th>
<th>Subsidy reduction</th>
<th>Wage bill cuts/caps</th>
<th>Targeting benefits</th>
<th>Pension reform</th>
<th>Labour reform</th>
<th>Health reform</th>
<th>Consumption tax increases</th>
<th>Privatization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastern Asia and Oceania</td>
<td>15</td>
<td>18</td>
<td>10</td>
<td>6</td>
<td>9</td>
<td>2</td>
<td>18</td>
<td>8</td>
</tr>
<tr>
<td>Eastern Europe/Central and Western Asia</td>
<td>14</td>
<td>17</td>
<td>18</td>
<td>18</td>
<td>12</td>
<td>9</td>
<td>14</td>
<td>11</td>
</tr>
<tr>
<td>Latin America and the Caribbean</td>
<td>14</td>
<td>14</td>
<td>13</td>
<td>17</td>
<td>11</td>
<td>2</td>
<td>18</td>
<td>3</td>
</tr>
<tr>
<td>Middle East and Northern Africa</td>
<td>10</td>
<td>8</td>
<td>7</td>
<td>5</td>
<td>6</td>
<td>3</td>
<td>9</td>
<td>2</td>
</tr>
<tr>
<td>Southern Asia</td>
<td>6</td>
<td>7</td>
<td>5</td>
<td>2</td>
<td>3</td>
<td>0</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>38</td>
<td>32</td>
<td>15</td>
<td>12</td>
<td>8</td>
<td>6</td>
<td>27</td>
<td>13</td>
</tr>
<tr>
<td>Developing countries</td>
<td>97</td>
<td>96</td>
<td>68</td>
<td>60</td>
<td>49</td>
<td>22</td>
<td>93</td>
<td>40</td>
</tr>
<tr>
<td>High-income countries</td>
<td>35</td>
<td>34</td>
<td>39</td>
<td>45</td>
<td>40</td>
<td>34</td>
<td>45</td>
<td>15</td>
</tr>
<tr>
<td>All countries</td>
<td>132</td>
<td>130</td>
<td>107</td>
<td>105</td>
<td>89</td>
<td>56</td>
<td>138</td>
<td>55</td>
</tr>
</tbody>
</table>

Options to extend fiscal space exist even in the poorest countries

- Re-allocating public expenditures (eg. Ghana, Indonesia, Thailand)
- Increasing tax revenues (eg. Bolivia, Brazil, Mongolia, Zambia)
- Increasing contributory revenues (eg Argentina, Brazil, Tunisia, Uruguay)
- Fighting illicit financial flows
- Lobbying for increased aid and transfers
- Tapping into fiscal and foreign exchange reserves (eg Chile, Norway)
- Restructuring/managing debt (eg Ecuador, Iceland, Iraq)
- Adopting a more accommodative macroeconomic framework (e.g. tolerance to some inflation, fiscal deficit)

These different alternatives must be discussed in national dialogue

Source: ILO, UNICEF and UNWOMEN, 2017. Fiscal space for social protection and the SDGs: Options to expand social investments in 187 countries
How to build social protection systems, including floors? Formulating and implementing national strategies

Start national dialogue: A collective agreement to achieve SDG 1.3 as part of the national development strategy

Identify gaps in social protection;

Determine appropriate social protection schemes, whether contributory or non-contributory, or both, as well as the time frame and sequencing for the progressive achievement of the objectives

Cost selected schemes, identify potential fiscal space; discuss financial and human resources with Ministry of Finance

Agree the National Strategy Social Protection through social dialogue

Design extension schemes, develop legal frameworks, build capacity to implement and monitor the national social protection system, including floors

Source: ILO Social Protection Floors Recommendation No.202
ILO’s recent technical assistance on social protection in 136 countries

- Assist in the design and implementation of systems and schemes, in line with ILO Conventions and Recommendations
- Costing and financing of different schemes
- Legal advice
- Actuarial valuation services
- Facilitating consensus through national dialogue with all stakeholders, including Ministries of Finance
ILO’s Global Flagship Programme on Building Social Protection Floors for All 2016-2030

Supporting the implementation of SPFs

**STEP 1**
Adopt national social protection strategies

**STEP 2**
Design and reform schemes

**STEP 3**
Implement schemes and improve operations

Development of knowledge & tools

- ASSESSMENT-BASED NATIONAL DIALOGUE
- COORDINATED DELIVERY MECHANISMS

Cross-country policy advice on thematic areas, such as

- CLIMATE CHANGE AND DISASTERS
- INFORMAL ECONOMY
- MIGRANT WORKERS
- EXTENSION TO RURAL AREAS

Developing partnerships to support SDG 1.3

- GOVERNMENTS
- WORKERS’ ORGANIZATIONS
- EMPLOYERS/PRIVATE SECTOR
- ONE UN
- DEVELOPMENT PARTNERS
- CIVIL SOCIETY

http://flagship.social-protection.org/
We have 12 years to make social protection a reality for all.
Thank You

World Social Protection Report 2017-19:
Universal social protection to achieve the Sustainable Development Goals

http://www.social-protection.org