

Recurrent Discussion Committee: Social security

Date: 11 June 2021

► **Draft conclusions concerning the second recurrent discussion on social protection (social security)**

GUIDING PRINCIPLES AND CONTEXT

1. Recalling the resolution concerning the first recurrent discussion on social protection (social security) adopted by the International Labour Conference (hereinafter the Conference) at its 100th Session in 2011, and the subsequently adopted Social Protection Floors Recommendation, 2012 (No. 202), the Conference reaffirms the full relevance of the guiding principles contained therein and the need to implement them in a holistic manner, as neglecting one of them risks jeopardizing the solidity of social protection systems.
2. The recurrent discussion, examining how to progress towards designing and implementing social protection policies and systems that are in line with the Recommendation's two-dimensional strategy and the ILO Centenary Declaration for the Future of Work (Centenary Declaration), comes at a critical juncture in light of the challenges presented by the COVID-19 pandemic, which add further urgency to establishing universal social protection systems adapted to the developments in the world of work that are resilient, effective, adequate and sustainable over the long term.
3. [The State is primarily responsible for establishing the legal and administrative architecture of social security, it also being the final guarantor of its good operation. Access to universal social protection is essential for social justice, decent work, inclusive and sustainable growth and development. As a human right, social security aims to ensure that every human being enjoys a life in health and dignity. Rights-based social protection systems, encompassing social protection floors and higher levels of protection, guarantee that social protection-related rights and obligations of all parties concerned - workers, employers, governments, State institutions, private sector actors - are anchored in law and duly observed.]
4. [Access to universal social protection is also crucial for the prevention and reduction of poverty, inequalities, social exclusion and insecurity; and as a means to maintain workers' income and living standards. It is also an effective crisis response, enabling access to healthcare and stabilizing aggregate demand by supporting income security and business stability. Moreover, social protection represents an investment in inclusive and well-functioning economies and contributes to decent work, productive employment, sustainable enterprises and inclusive growth, ensuring improved tax revenues and fostering social cohesion.]
5. [Social protection represents a crucial and affordable investment in order to achieve robust and inclusive economies. Governments have a variety of means to create fiscal space and need to protect social security financing against undue austerity measures constraining public social expenditure, weakening aggregate demand and making crises worse.]
6. [ILO social security standards guide Member States in building and maintaining access to universal social protection systems, comprised of floors providing basic levels of protection and

the provision of higher levels of protection, that are aligned with the vision of the Centenary Declaration. ILO social security standards recognize that each country should strive to achieve this objective in light of its needs based on its priorities and resources and the core principles and thresholds established therein, in coordination with other public policies, including employment policy, and through tripartite social dialogue. In particular, it is essential to ensure that the Social Protection Floors Recommendation, 2012 (No. 202), is implemented in an integrated manner with the Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204).]

7. [In spite of progress made during the last decade, the global pandemic and its socio-economic consequences and its effect on business have revealed significant social protection coverage and financing gaps. Considerable additional efforts are urgently needed to extend coverage and guarantee universal access to comprehensive, adequate and sustainable social protection for all, with a particular focus on those unprotected and in vulnerable situations. Certain groups, such as women, youth, persons with disabilities, migrant workers, domestic workers, agricultural workers, platform workers, rural populations, persons in precarious situations, persons in low-paid work, and persons in the informal economy, who are often disproportionately affected by lack of coverage and/or inadequate levels of protection, which could be problematic for universal coverage.]
8. [Social protection is an integral pillar of the Decent Work Agenda and the human-centred approach to the future of work advocated by the Centenary Declaration, together with measures securing respect for the fundamental principles and rights at work, effective institutions of work and policies to promote sustained, inclusive and sustainable economic growth and full and productive employment. Social protection contributes to an enabling environment for decent work, productivity growth, employment creation and sustainable enterprises. Inclusive and sustainable social protection systems represent a means to respond to the resulting structural transformations, such as those related to climate and demographic changes, digitalization and globalization, as well as to the rise of precarious forms of work and persisting informality. Ensuring universal social protection must go hand in hand with measures to strengthen decent work, including through respect for fundamental rights, including freedom of association and collective bargaining, prohibition of discrimination and the elimination of forced labour and child labour; as well as adequate minimum wages statutory or negotiated, occupational safety and health and maximum limits on hours of work in line with the Centenary Declaration.]
9. [As an effective automatic stabilizer in times of crisis, social security contributes to mitigating the economic and social impacts of economic downturns, to enhancing resilience against future shocks and achieving faster recovery towards inclusive growth and development. The global pandemic underscored the importance for States to invest in building national social protection systems, including by establishing social protection floors. While measures implemented during the pandemic have thrown a lifeline to many vulnerable workers and families throughout the world, while allowing many enterprises to survive, the development of effective social protection systems cannot be achieved through one-off crisis response measures, but requires sustained action and commitment, in line with international standards with due regard to national needs and circumstances.]
10. [The achievement of the strategic objective of social security must be supported by international cooperation and solidarity, through close collaboration within the multilateral system with the ILO as lead agency, the strengthening of coherence between national and international policies, and the active mobilization of international financial institutions and development partners.]

FRAMEWORK FOR ACTION

11. The proposed framework for action stemming from the second recurrent discussion on social protection (social security) held at the 109th Session of the International Labour Conference requires both Members and the Organization to take action to give effect to the conclusions adopted therein, based on the ILO Declaration on Social Justice for a Fair Globalization (Social

Justice Declaration) and the Centenary Declaration, that calls for universal access to comprehensive, adequate and sustainable social protection systems, that are adapted to the developments in the world of work.

I. MEASURES TO PROMOTE UNIVERSAL SOCIAL PROTECTION

Realizing universal social protection

12. Members, with the support of the Organization, and in accordance with national circumstances, should:
- a) Commit with strong political will to progressively and as soon as possible build, and maintain universal, comprehensive, sustainable and adequate social protection systems placed under the general responsibility of the State, pursuant to the vision and principles expressed in ILO up-to-date social security standards, including the Social Security (Minimum Standards) Convention, 1952 (No. 102), and the Social Protection Floors Recommendation, 2012 (No. 202), as well as other relevant standards, such as the Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204);
 - b) establish and maintain, as a matter of priority and as a fundamental element of their national social protection systems, a social protection floor guaranteeing at least basic levels of social security to everyone over the life cycle, including access to essential healthcare and basic income security, serving as a stepping stone to progressively ensure higher levels of protection in terms of benefits and number of contingencies covered to as many persons as possible, as soon as possible;
 - c) [ensure that measures aimed at strengthening rights-based social protection systems that are adequate and inclusive of all workers and enterprises, respond to developments in the world of work and are duly coordinated with employment, labour market and active inclusion policies to promote decent work and the formalization of employment, including through complementing paid work by social protection benefits to facilitate the insertion or reintegration into the labour market;]
 - d) [improve coverage of those not yet adequately protected, including by ensuring access to adequate social protection for workers in all types of employment and making social protection systems more inclusive and effective as enablers of national formalization strategies;]
 - e) ensure that mainstream social protection policies and systems are inclusive of persons with disabilities and responsive to their specific needs, including by providing access to adequate healthcare and rehabilitation, as well as disability-specific benefits and home and community-based services, appropriate to each person's needs and based on self-determination;
 - f) [pursue gender-responsive social protection policies and address gender gaps in social protection;]
 - g) [invest in the care economy, to support the workforce participation of workers with care-giving responsibilities, who are most often women, by facilitating an equal sharing of unpaid care work between women and men, better recognizing unpaid care work in social protection systems, including by crediting contributory periods, as well as facilitating accessible, affordable, and quality childcare and long-term care services;]
 - h) facilitate the acquisition and maintenance, including preservation or portability, of social security entitlements with a view to facilitating job transitions for persons in temporary, part-time and self-employment, [and migrant workers,] without jeopardizing their social protection, and seek to conclude bilateral and multilateral social security agreements to facilitate migrants' access to social protection;

- i) secure the necessary legal certainty for workers and employers, ensuring the correct classification of employment relationships and adequate social protection for workers in all types of employment.

Strengthening social protection systems

13. Members, with the support of the Organization and in accordance with national circumstances, should:

- a) strengthen their social protection systems, ensuring effective coordination between various schemes and programmes, reducing fragmentation and improving the efficiency and effectiveness of benefit and service delivery, guided by international social security standards and principles;
- b) provide universal access to comprehensive and sustainable social protection systems that can respond to life cycle risks, emerging needs and global risks; protect all people and also enterprises in the eventuality of future crises and transformations, and facilitate a just transition to more environmentally sustainable economies and societies;
- c) recognize the overall and primary responsibility of the State for establishing adequate social protection governance frameworks and promoting inclusive and sustainable economic growth, full and productive employment, fair labour markets and decent work for all;
- d) ensure coherence and coordination of social protection policies with other social and economic policies, including employment, health, education, care, and macroeconomic and fiscal policies;
- e) strengthen their national capacities for policy development, planning, coordination, implementation and delivery of adequate and comprehensive social protection policies and programmes;
- f) complement social protection, including unemployment protection, with active inclusion and labour market policies, including high quality public employment and social services, as well as lifelong learning, skills development and vocational training and incentives for enterprises to facilitate transitions and build more inclusive labour markets and social protection systems, with special attention to marginalized groups;
- g) [advance a favourable environment for sustainable enterprises, especially micro, small and medium-sized enterprises, as well as cooperatives and the social and solidarity economy, with a view to fostering transitions from the informal to the formal economy, and preventing the informalization of employment, while securing the long-term financing of social protection;]
- h) ensure strong, effective, efficient and transparent governance, administration, accountability and compliance mechanisms for social protection systems, including sound financial management, solid practices to prevent corruption and fraud, observance of the rule of law, and a fair and efficient distribution of benefits;
- i) leverage inclusive social dialogue in all its forms, including collective bargaining, by meaningfully involving social partners in the formulation, monitoring and evaluation of social protection policies and strategies, and in the governance of national social security systems and social security funds, where existing, with a view to ensuring [efficient] policies while securing the stability, sustainability and legitimacy of the social security systems, generating ownership, and accountability and trust in public institutions;
- j) build effective and transparent information systems, including databases and statistical systems, allowing sound diagnostic and evidence-based decision-making, and monitoring progress towards achieving SDG targets on social protection.

Sustainable and adequate financing of social protection systems

14. Members, with the support of the Organization, in accordance with national circumstances, should:

- a) secure, with due regard for the objectives of social justice and equity, a solid and sustainable economic, fiscal and financial base for the extension and operation of universal social protection systems over the medium and long term, without compromising the adequacy and coverage of benefits and services, and ensuring adequate income replacement and maintenance as soon as possible, guided by up-to-date ILO social security standards;
- b) ensure adequate and sustainable financing through a combination of sources of financing, contributory and non-contributory, with progressive and effective taxation systems as indispensable elements to ensure the creation of fiscal space for social protection, and greater efforts to combat illicit financial flows, duly taking into account national economic contexts, demographic challenges and the need to ensure just transitions and extend protection to unprotected groups;
- c) [ensure the adequacy and sustainability of nationally defined social protection systems based on the principles of solidarity, collective financing, well-balanced intergenerational fairness and the achievement of gender equality;]
- d) [secure adequate, sustainable and equitable financing strategies achieving an optimal balance between the responsibilities and interests among those who finance and benefit from social security schemes and taking into account the counterproductive effects of unsustainable budgetary pressures, the situation of business, in particular micro, small and medium-sized enterprises, as well as the contributory capacities of workers, avoiding that individuals bear an undue level of labour market, financial and economic risk, as well as an unfair share in financing efforts through regressive taxes;]
- e) [explore and establish, based on sound actuarial valuations, innovative and diversified sources of financing, leading to an optimal combination of multi-pillar contributory, non-contributory or mixed mechanisms in view of the national context, while also allowing the existence of voluntary contributory schemes, in alignment with the ILO's normative framework, to achieve more equitable financing;]
- f) [complement social protection floors with higher levels of contributory social security based on solidarity in financing and a fair division of contributions between employers and workers, in line with Convention No. 102;]
- g) secure and increase the fiscal space for social protection, including by broadening the tax base and building fair and progressive tax systems together with a sustainable macro-economic framework, tackling tax evasion and the avoidance of social security contributions, reprioritizing and reallocating expenditure, eliminating corruption and illicit financial flows and duly collecting social security contributions;
- h) take measures to promote full and productive employment and support the inclusion of underrepresented groups in the labour market, which will broaden the financing base for social protection and support the transition to the formal economy through a combination of incentive and enforcement measures in line with Recommendation No. 204;
- i) acknowledge the need for workers and employers, including those in the public sector, to pay their fair share of social security contributions, consistent with Convention No. 102.

II. MOBILIZING ILO MEANS OF ACTION

- 15.** In giving full effect to the Social Justice Declaration and the Centenary Declaration, the Organization is called upon to give full effect to this resolution and assist Members in achieving universal access to social protection, consistent with ILO standards, as a core element of a human-centred approach to the future of work. To this effect, the ILO should actively, and as a matter of urgency, promote the measures outlined below.

Support for the formulation and implementation of national social protection policies and strategies**16.** The Office should:

- a) strengthen the capacities of constituents to design, sustainably finance and implement national social protection policies and strategies aligned with the vision and objectives established by ILO social security standards, and in coherence with national social, economic and environmental development objectives;
- b) support Member States in the development of equitably financed crisis-recovery strategies aimed at the long-term stabilization of emergency measures adopted to face the COVID-19 crisis so that they contribute to sustainable social protection systems able to respond to future crises;
- c) [support Member States in coordinating social protection policy with employment policy and other social and economic policies, promoting decent and productive employment, and facilitating transitions from the informal to the formal economy;]
- d) support Member States in developing social protection policies that facilitate just transitions to environmentally sustainable economies and societies;
- e) [support and promote the conclusion of bilateral and multilateral agreements to provide social security to migrant workers and their families;]
- f) support Member States in ensuring decent work for workers in the care economy, with a view to improving the attractiveness of these sectors and strengthening the quality of health and care services;
- g) [support Member States in providing access to adequate social protection for workers in all types of employment, including self-employment, and in ensuring the preservation and portability of acquired entitlements, in the light of new developments in the world of work;]
- h) 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;
- i) support Member States in ensuring sustainable and adequate financing for social protection policies, including through conducting socio-economic feasibility and costing studies measuring financing gaps and identifying fiscal space options, with due regard to the principles laid out in relevant ILO social security standards;
- j) continue to provide Members with policy, legal, financial and actuarial technical advice to strengthen national social protection systems;
- k) support Member States in improving the governance, transparency and accountability of national social protection systems, including through robust management information systems and national statistical systems.

Research and capacity-building**17.** As part of broader efforts to promote universal social protection, the Office should, with the support of the constituents:

- a) [undertake evidence-based and rigorous research on social protection and its impact, and continue to produce, at regular intervals, a flagship report on the strategic objective of social protection (social security), based on comparative evidence and analysis and on international standards;]
- b) [evaluate, on the basis of innovative and analytical country level research, the advantages and disadvantages of contributory, non-contributory or mixed multi-pillar mechanisms in order to shed light on the optimal combinations and to improve decision-making on social protection policies;]

- c) support constituents in monitoring progress towards achieving universal access to social protection, ensuring sustainable financing and strengthening social protection systems, including by monitoring progress in achieving SDG targets 1.3 and 3.8, by developing quantitative benchmarks on adequacy, sustainability and coverage and strengthening the capacities of national statistical systems;
- d) strengthen the capacities of governments, social partners and other stakeholders, in collaboration with the International Training Centre of the ILO and other partners;
- e) reinforce knowledge development and sharing on good practices and their impacts, including through South-South and triangular cooperation and learning.

Effective planning and resource mobilization and allocation

18. The ILO should:

- a) ensure coherence between the strategic objective of social protection (social security) and the other strategic objectives, in accordance with the Social Justice Declaration and the Centenary Declaration;
- b) provide technical support and assist Member States' efforts to close financing gaps for social protection through domestic resources and development cooperation, including in the framework of the Global Flagship Programme on Building Social Protection Floors for All;
- c) mobilize resources for development cooperation at the country, regional and global levels, including through United Nations funding mechanisms, that support the development of adequate and sustainable social protection systems and contribute to the mobilisation of domestic resources, in close collaboration with United Nations Resident Coordinators;
- d) monitor and evaluate the impact of the support provided by the ILO to its constituents, including in order to improve resource mobilization and allocation.

Effective standards-related action

19. In supporting constituents to achieve the effective realization of the right to social security, the ILO should:

- a) systematically promote the ratification and effective implementation of up-to-date ILO social security standards, as well as their consideration in legal reforms;
- b) support Member States in strengthening access to social protection for informal workers and domestic workers through promoting the ratification and effective implementation of Convention No. 189 and Recommendation No. 204;
- c) launch a campaign to promote the ratification of Convention No. 102, including through systematically promoting its ratification within the Global Flagship Programme on Building Social Protection Floors for All and Decent Work Country Programmes;
- d) duly assist Member States in overcoming obstacles to the ratification of up-to-date ILO social security Conventions and to the effective implementation of ILO Conventions and Recommendations;
- e) assess the impact of ILO social security standards in national policymaking and law making processes, as well as in multilateral partners' activities, with a view to ensuring their effectiveness in responding to new challenges and fostering policy coherence in a changing environment.

III. REAFFIRMING THE ILO'S MANDATE AND LEADERSHIP IN SOCIAL PROTECTION IN THE MULTILATERAL SYSTEM AND PROMOTING POLICY COHERENCE

- 20.** In line with its constitutional mandate to set international social security standards, its tripartite structure and its technical expertise, the ILO should:
- a) [play a leadership role in ensuring policy coherence on social protection in the multilateral system, including through existing inter-institutional cooperation mechanisms aimed at promoting policy coherence;]
 - b) [engage with the international financial institutions, in line with each organization's mandate, to assess national social protection needs and priorities, and options towards extending the fiscal space for social protection based on the principles established in up-to-date ILO social security standards;]
 - c) [explore options for mobilizing international financing for social protection, including increased official development assistance, to complement the individual efforts of countries with limited domestic fiscal capacities to invest in social protection or facing increased needs due to crises, natural disasters or climate change, based on international solidarity, and engage in discussions on the need for a new international financing mechanism, such as a Global Social Protection Fund;]
 - d) explore possible partnerships with other relevant organizations and international and regional bodies, with a view to advancing the achievement of the vision and principles embedded in ILO up-to date social security standards;
 - e) explore the possibility of introducing an International Social Protection Day to underline the importance of social protection for decent work and social justice;
 - f) hold consultations with ILO constituents to explore, assess and identify opportunities to allow a more coordinated implementation of Recommendations No. 202 and 204.