

## Gaps, challenges and progress towards universal access to social protection

EGM on the Implementation of the Third United Nations Decade for the Eradication of Poverty (2018-2027) 24-27 May 2021

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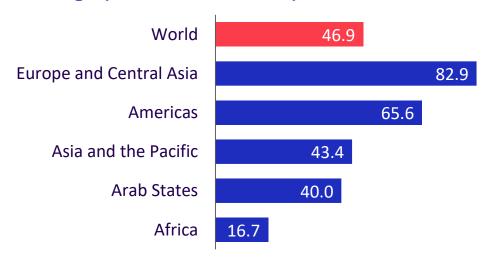


#### **COVID-19** social protection policy response through two channels:

#### 1 "Automatic" response through existing social protection systems

- Protecting people's health, jobs and incomes
  - Health coverage: health insurance, national health service
  - Sickness benefits and paid sick leave
  - Employment retention measures and unemployment benefits
  - Social assistance and other cash transfers
- Countries with solid social protection systems
   were able to respond faster and better than others
- Social protection systems as key automatic stabilizers for the economy, contributing to higher resilience
- Significant challenges for countries with weak social protection systems

Only 46.9% of global population covered prior to COVID-19: 4.1 billion people excluded from coverage (SDG indicator 1.3.1)



Source: <u>ILO World Social Protection Database</u>; ILO World Social Protection Report 2020-22 (forthcoming).

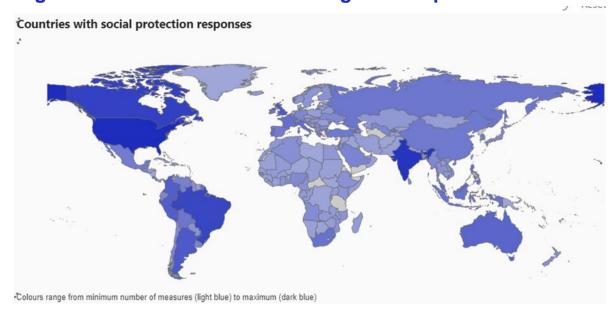


#### **COVID-19 social protection policy response through two channels:**

#### 2 Emergency policy responses to close coverage and adequacy gaps

- Focusing in particular on populations who were previously not adequately protected
- Strongly dependent on pre-existing structures, using tax-financed programmes, social insurance, or a combination of both; in some countries with international support
- Mobilisation of additional resources (domestic and international)
- Temporary character: one-off or short-term measures

COVID-19 social protection policy response: urgent measures to extend coverage and improve benefits



Source: ILO COVID-19 Social Protection Monitor (15 January 2021)





## Recovering from COVID-19: Social protection at a crossroads Towards a new "better normal"?

## **Austerity** context

- Limited coverage
- Minimal benefits
- Gaps in labour and social protection
- Limited solidarity, risk-sharing and redistribution, fiscal consolidation
- No decent work

## Universal social protection systems, including floors

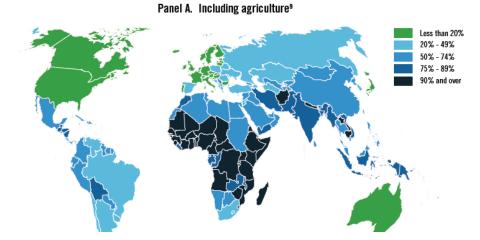
- Universal coverage
- Adequate protection
- Comprehensive protection
- Sustainable and equitable financing
- Adapted to the world of work



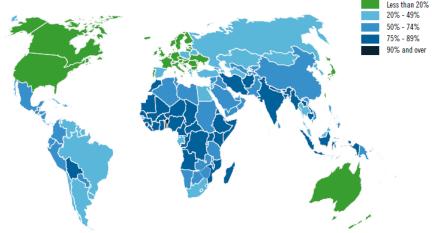
# Recovery priority 1: Accelerating the extension of social protection to those in the informal economy >> ensuring adequate coverage for workers in all types in employment



More information: ILO policy resource package on extending social security to the informal economy (http://informaleconomy.social-protection.org)



Panel B. Excluding agriculture



Source: ILO, 2018. Women and men in the informal economy: a statistical picture. Geneva. <a href="http://www.ilo.org/wcmsp5/groups/public/---ed-emp/documents/publication/wcms-626831.pdf">http://www.ilo.org/wcmsp5/groups/public/---ed-emp/documents/publication/wcms-626831.pdf</a>







### Social protection in the age of labour market transformation: What is at stake?

- ► Shifting economic risks to workers
- ► De-responsibilisation of (some) enterprises
- Unfair competition
- ► Fragmentation
- Disempowerment
- Fractured social contract

- ► Fair risk-sharing and protection of workers' rights
- ► Continued relevance of employment relationship
- ► Fair competitive environment
- Integrated solutions
- Representation and social dialogue
- ► Reinvigorated social contract



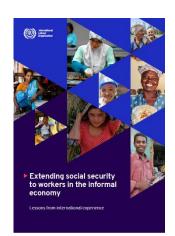
## The role of social protection in fostering an inclusive recovery and accompanying a productive transformation towards a green and digital economy

- Social protection a human right and one of the pillars of decent work
- Investments in human capabilities, including access to education and skills development
- Enhancing economic security, increasing/ stabilizing household incomes, reducing inequalities and promoting social cohesion
- ► Enabling people to better manage risks and seize economic opportunities, including innovation and entrepreneurship

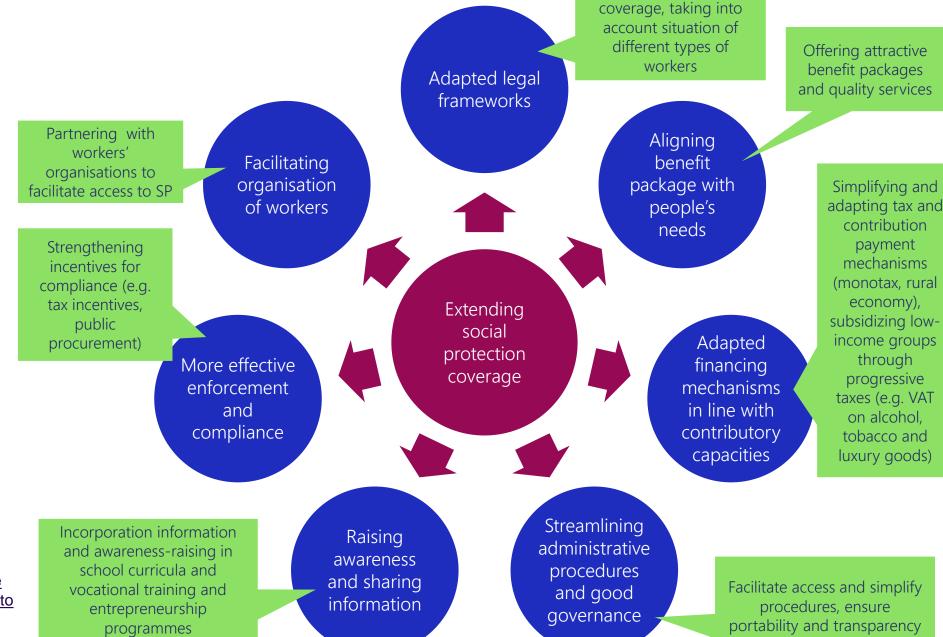
- Stabilize and stimulate aggregate demand and have significant effects on economic growth, particularly through counter-cyclical spending during economic downturns.
- Smoothing life and work transitions and supporting labour market mobility >> better functioning of labour markets, thereby fostering productivity gains and the creation of decent jobs.
- Sizeable sector of employment, especially health care, child and long-term care, social work and social security administration.



Practical measures to support the extension of social protection to those in the informal economy (examples)



More information: <u>ILO policy resource</u> package on extending social security to the informal economy



Extending legal

#### **Ensuring social protection for workers in all types of employment**

#### Key principles:

- Universality of protection
- Adequacy
- Portability and transferability
- Transparency
- Gender equality
- Good goverance and trust

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Mandatory coverage

Large risk pool

High-quality benefits and services, easy access

Simplified administrative procedures, harnessing digital technology

High transparency and accountability, high trust

Unified/coordinated system

Integrated policy framework

Sufficient fiscal space using a good mix of contribution and tax financing

Voluntary coverage

Small risk pools

Low quality and poor access to benefits and services

Complex and cumbersome administrative procedures

Low transparency and accountability, low trust

Fragmented schemes

Isolated/disconnected policies

Inadequate financing framework

No social dialogue

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More information: ILO policy resource package on extending social security to the informal economy (http://informaleconomy.social-protection.org)

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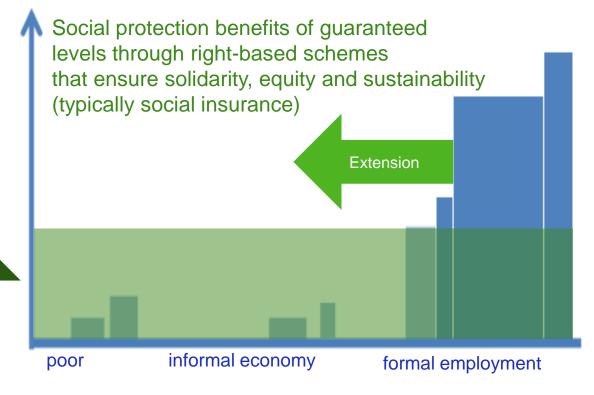
#### Recovery priority 2: Strengthening social protection systems, including floors

- Promoting universal social protection systems in line with ILO Recommendation No. 202 and SDG 1.3
- Rights-based: human rights and international social security standards, national legislation
- Sustainable and equitable financing, usually through a combination of taxes and contributions
- Facilitating transitions from the informal to the formal economy

Social protection floor that guarantees at least a basic level of income security and effective access to health care

Extension

#### Closing social protection coverage and adequacy gaps

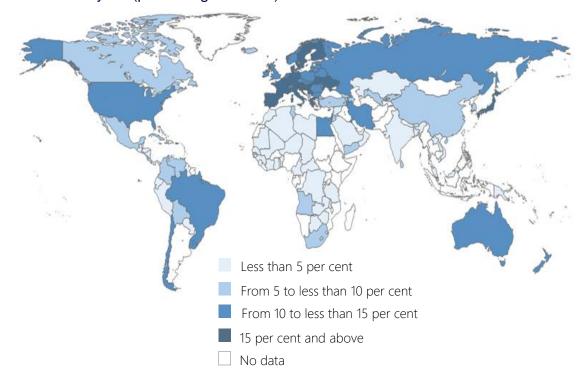




#### Recovery priority 3: Investing in universal social protection systems for more resilience

- Social protection financing gaps widened due to COVID-19; austerity could have negative impacts on progress achieved
- Low-income countries would need to invest an additional USD 77.9 billion (15.9% of GDP per annum) to guarantee a nationally-defined social protection floor for all.
- Strengthening sustainable and equitable domestic financing mechanisms for universal social protection systems, including through taxes and social security contributions
- International support needed to support countries with insufficient own capacities
- Global support for universal social protection more necessary than ever (<u>USP2030</u>)

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



Source: ILO, World Social Protection Report 2017-19

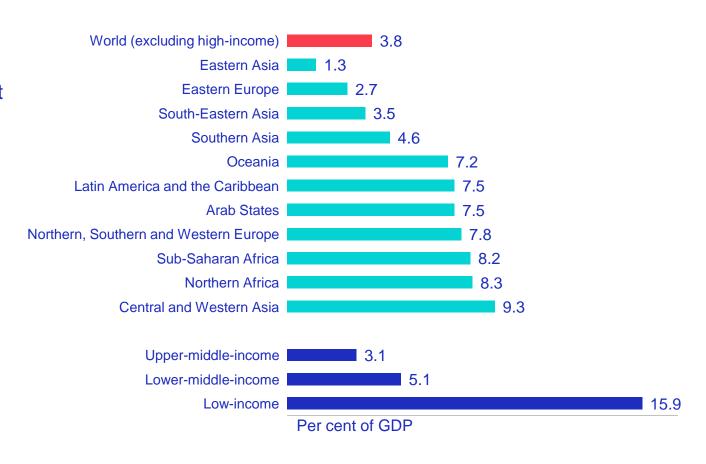


## Social protection has clearly demonstrated its value during COVID-19, but achieving universal coverage by 2030 will require additional investment

Low-income countries would need to invest an additional USD 77.9 billion or 15.9% of GDP per annum to guarantee at least a basic level of social security for all through a nationally-defined social protection floor.

Notes: The graph shows the financing gap for achieving a universal package comprising social protection benefits for children, maternity, disability, and old-age and access to essential health care in 2020 as a percentage of GDP (low- and middle-income countries only).

Source: ILO, 2020: Financing gaps in social protection: Global estimates and strategies for developing countries in light of the COVID-19 crisis and beyond.





Social protection policies as part of integrated policy solutions to achieve the SDGs

#### SDG1: End poverty in all its forms

1.3: Social protection systems and measures for all, including floors

1.A. Ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries, to implement programmes and policies to end poverty in all its dimensions

#### SDG16: Peace, justice and strong institutions

16.6: Develop effective, accountable and transparent institutions at all levels

#### SDG13: Take urgent action to combat climate change and its impacts

13.3: Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning

#### SDG10: Reduce inequality within and among countries

10.4: Adopt policies, especially fiscal, wage, and social protection policies, and progressively achieve greater equality

#### SDG2: Zero hunger

2.1: End hunger and ensure access to safe nutritious and sufficient food

SDG3: Ensure health lives and promote well being for all at all ages

3.8: Achieve universal health coverage

#### SDG5: Achieve gender equality and empower all women and girls

5.4: recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies, and the promotion of shared responsibility within the household and the family as nationally appropriate

#### SDG8: Promote decent work and economic growth

8.5: Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value





#### **COVID-19 crisis response:**

- ILO portal on social protection response to COVID-19, including
  - Spotlight briefs:

Extending social protection to informal workers in the COVID-19 crisis;

Social protection responses to the COVID-19 pandemic in developing countries; Unemployment protection in the COVID-19 crisis;

Sickness benefits during sick leave and quarantine;

<u>Financing gaps in social protection: Global estimates and strategies for developing countries in light of COVID-19 and beyond;</u>

<u>Towards solid social protection floors? The role of non-contributory provision during the COVID-19</u> crisis and beyond

- Data dashboard: <u>Social Protection Monitor: Social protection responses to the COVID-19 crisis</u> around the world
- Costing tool: Rapid Social Protection Calculator for COVID-19
- ILO portal on COVID-19 and the world of work

#### Other key resources:

- ILO World Social Protection Database
- World Social Protection Report 2017-19
- Policy resource package on extending social security to workers in the informal economy
- Fiscal Space for Social Protection. A Handbook for Assessing Financing Options
- ILO Social Protection Platform
- ▶ Joint UN Social Protection and Human Rights web platform
- Global Partnership for Universal Social Protection (USP2030)

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