

Gaps, challenges and progress towards universal access to social protection

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Christina Behrendt, ILO Social Protection Department, Geneva Contact: <u>behrendt@ilo.org</u>





Lessons learnt from the COVID-19 policy response

- Countries with solid public social protection systems were able to respond faster and better than others
 - higher resilience at both macro- and micro-level
- Extension to unprotected workers was necessary and possible, yet with some challenges
 - important innovations, including through digital technology
- Need to reinforce social protection systems for more sustainable solutions
 - for the next crisis and for every day...

- Extending coverage to uncovered groups through expansion of existing mechanisms and introduction of new benefits
 - Supporting access to health care, prevention of job losses and income security (especially in case of unemployment and sickness)
 - Using existing mechanisms, both social insurance and tax-financed benefits; where necessary channelling additional resources through these mechanisms
 - Outreach strategies strongly dependent on pre-existing structures (key role of registries, engagement with organisations of informal workers)
- Mobilising additional resources (domestic and international, around US\$17-19 trillion, mostly in advanced economies)
- Adapting access and delivery mechanisms to pandemics context (physical distancing)
- Harnessing digital technologies for outreach and delivery





Overview of effective social protection coverage across the lifecycle (SDG target 1.3)



SDG indicator 1.3.1: Effective social protection coverage, global estimate, by population group, 2020 or latest available year



Advancing social justice, promoting decent work



Example 1: Social protection for children remains limited, yet is critical for unlocking their potential

- Social protection systems are an essential for realizing children's rights.
- Children are twice as likely to live in poverty as adults. Pre-COVID-19: one in six, or 356 million – were living in extreme poverty.
- Most children still have no effective coverage — only 26.4% receive social protection cash benefit.
- Staggering regional differences in effective coverage: 82.3% in Europe & Central Asia and 12.6% in Africa.
- Social protection is one of the key policy levers for eliminating and preventing child labour
 > ILO/UNICEF report to be launched tomorrow

SDG indicator 1.3.1 on effective coverage for children and families: % of children 0–14 years receiving child or family cash benefits, by region, subregion and income level, 2020 or latest available year







Example 2: Maternity protection, and paternity and parental leave benefits need further development

- The pandemic adversely affected childbearing women: increased the risk of employment and livelihood loss and disrupted healthcare systems & other services.
- Lack of income security forces many women to keep working into the very late stages of pregnancy and/or to return to work prematurely, thereby increasing health and poverty risks.
- Only 44.9% of women with newborns worldwide receive a maternity cash benefit.
- Large regional variations: coverage of childbearing women is universal in most of Europe, compared to a mere 7.5% in sub-Saharan Africa, compounded by a lack of affordable access to maternal and new-born healthcare services.
- Paid maternity, paternity and parental leave promote gender equity, especially if financed through collective mechanisms (social insurance or general taxation)





SDG 1.3.1 on effective coverage for maternity protection: % of women giving birth receiving





The case for investing in social protection

- Social protection gaps are associated with significant underinvestment, especially in lowincome countries.
- Securing sustainable and adequate financing is essential, usually through a combination of (progressive) taxation and social insurance contributions.
- The financing gap in social protection urgently needs to be closed to ensure at least minimum provision for all - a social protection floor. International support is needed to support lowincome countries to build up their social protection systems
- Need for well-coordinated policies, including employment, macro-economic and fiscal policies, as well as policies to support transitions from the informal to the formal economy.

Figure 2.9 Public social protection expenditure (excluding health), percentage of GDP, 2020 or latest available year



Note: Global and regional aggregates are weighted by GDP.

Sources: ILO, <u>World Social Protection Database</u>, based on SSI; International Monetary Fund (IMF); Economic Commission for Latin America and the Caribbean (ECLAC); national sources.

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

Public social protection expenditure, % of GDP, 2020 or latest available year, and domestic general government health expenditure, percentage of GDP, 2018, by country income level







Social protection at the cross-roads: Taking the 'high road' towards universal social protection

- Social protection has played a key role in the COVID-19 policy response as **stabilizer** to protect **people's** health, jobs and incomes.
- **Critical policy window** for making the right choices regarding the **future** of their social protection systems.
 - "high-road" strategy of investments in universal social protection systems.
 - "low-road" approach of minimalist social protection policies and fiscal consolidation.
- Universal social protection is at the core of a human-centred recovery, ensuring that workers in all types of employment enjoy adequate and comprehensive social protection, financed in a sustainable and equitable way based on solidarity.

Many countries have arrived at a crossroads: now is the time to pursue a "high-road" strategy towards universal social protection.



Neglecting social protection systems through:



Underinvestment



Austerity and undue fiscal consolidation



Minimal benefits insufficient to ensure a dignified life

Weak coordination with labour market, employment and other relevant policies



Persistent large coverage gaps in social protection

STROAD

Strengthening social protection systems requires:



Universal coverage



Adequate benefit levels







Provision that is rights-based and inclusive



Adaptation to developments in the world of work



What is needed to take a high road towards universal social protection?

Priority actions

- Social protection policies should be reinforced, guided by international social security standards and supported by effective social dialogue.
- Coverage and adequacy gaps must be closed; especially for women, workers in the informal economy and migrants.
- Adequate protection should be extended to all, including workers in all types of employment, to:
 - reduce their vulnerability and enable them to seize opportunities;
 - support their life and work transitions;
 - ▶ help them to better navigate the future of work.
- Social protection is essential to support a just transition to a green economy.
- Investing in universal social protection is the ethical and rational choice for a better future.

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Sustainably financed systems



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Policy orientations for the way ahead towards universal social protection

- Building **universal social protection systems**, including floors
- Ensuring the adequacy and sustainability of nationally defined social protection systems building on an effective social dialogue, based on the principles of solidarity, collective financing, well-balanced intergenerational fairness, the achievement of gender equality.
- Reinforcing social protection systems so that they can adequately respond to change and enable people to better navigate work and life transitions, including in the context of just transitions towards environmentally sustainable societies and economies.
- Ensuring adequate social protection for all, including workers in all types of employment, through a combination of contributory and non-contributory schemes
 - Social insurance especially if inclusive of part-time, temporary and self-employed workers
 - **Tax-financed benefits** key role in guaranteeing a social protection floor
- Broader policy context: policies to protect all people, promote inclusive economic growth and employment, and facilitate transitions from the informal to the formal economy, based on social dialogue, for decent work and social justice.



- Global call to action for a human-centred recovery from the COVID-19 crisis [link]
- Resolution and conclusions on social protection (social security) [link]



Building universal social protection systems: Key takeaways

Labour market and employment policies and regulation for decent, productive and freely chosen employment, including wages, working conditions; correct classification of employment relationships >> decent work -> indispensable for ensuring a level playing field and preventing a race to the bottom

Effective social dialogue based on effective representation and including collective bargaining



Universal social protection systems,

UN Global Accelerator on Jobs and Social Protection for Just Transitions

with strong tax-financed mechanisms and social insurance, to ensure universal access to adequate and sustainable social protection, adapted to changing needs

>> adequate protection for all, including workers in all types of employment

Policies to support life and work transitions and a just transition to environmentally sustainable economies and societies: lifelong learning, health and care services, gender equality, social protection, active labour market policies, transitions from the informal to the formal economy.

Conducive policy environment, including macro-economic policies, trade and competition policies and tax policies.



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COVID-19 crisis response:

- ILO portal on social protection responses to COVID-19, including
 - Spotlight briefs: Extending social protection to informal workers in the COVID-19 crisis; Unemployment protection in the COVID-19 crisis; Sickness benefits during sick leave and quarantine;
 - Data dashboard: Social Protection Monitor
 - Costing tool: <u>Rapid Social Protection Calculator for COVID-19</u>
- ILO portal on COVID-19 and the world of work

Universal social protection – covering workers in all types of employment:

- World Social Protection Report 2020-22: Social protection at the crossroads in pursuit of a better future
- High-level panel discussion: Social protection at the crossroads in pursuit of a better future
- Policy resource package on extending social security to workers in the informal economy
- Extending social security to self-employed workers: lessons from international experience
- Extending social protection to migrant workers, refugees and their families
- Social protection systems and the future of work: Ensuring social security for digital platform workers
- Extending social security to workers in the platform economy
- Extending social protection to the cultural and creative sector
- Other key resources:
 - ILO Social Protection Platform
 - Joint UN Social Protection and Human Rights web platform
- Global Partnership for Universal Social Protection (USP2030)

