



**Commission on Social Development
Item 3(a): Priority Theme: Social Integration**

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Madame Chair
Ladies and Gentlemen,

The ILO welcomes the report of the Secretary General and unequivocally agrees with its findings and supports the recommendations for further national and international action. We also welcome the renewed commitment to the key message of Copenhagen to build a global “society for all” - especially in times of a economic and financial crisis. But social integration is not just a fashionable policy paradigm in the present crisis, it is much more than that. More importantly, it is a concept that allows us to address the permanent social crisis that the world has lived through over decades and that left more than two billion people in poverty and exclusion. This is a powerful indicator that the global economic and social systems were failing before the onset of the present crisis.

We are particularly pleased to see the renewed commitment of the Economic and Social Council to the Decent Work Agenda. Decent work for all is a key to social integration. A decent job with an honest wage, where rights at work are respected, social dialogue and social protection is guaranteed, is the easiest way to overcome poverty, inequality and social exclusion. It is much more than just a means to earn income, it creates self-respect and that of others, creates a sense of meaning, dignity, belonging and contribution. Decent work is the basis for inclusive societies. .

The ILC has in June adopted a Declaration on Social Justice for a Fair Globalization that is truly a landmark in the work of the ILO. The declaration explicitly recognises that “ *The ... strategic objectives [of the ILO] are inseparable , interrelated and mutually supportive. The failure to promote any of them would harm progress toward the others. ... efforts to promote them should be part of an ILO global and integrated strategy for decent work.*”

The conceptual core of the rethinking process in the ILO is to find a coherent answer to the question :

How can we effectively link employment and social protection policy concepts in order to ensure the simultaneous achievement of more decent employment, higher levels of income, better social protection while realizing standards on fundamental rights at work through an inclusive process of social dialogue.

This amounts to no less than the definition of a new coherent economic and social development policy paradigm. The beginnings of a new paradigm are already emerging¹. It is obvious that only strong employment growth will in the long run build the fiscal foundations for a sound social protection policy. On the other hand investing in social protection at early stages of economic development is an immediate contribution to the reduction of poverty but at the same time facilitates the utilisation of the full economic potential of the entire workforce of the country.

No social security system can exist without a functioning economy, but likewise no economy can function productively with a workforce that is hungry, badly educated, unhealthy, and permanently too socially insecure to make a commitment to enterprises and societies.

It is obvious that a society has to invest in basic mechanism of social security to ensure that people can become productive. Once basic employability is achieved higher levels of social security can be afforded as economy grow and fiscal space widens.

We hence explicitly welcome and support the recommendation of the report that stresses the necessity to establish a social floor. As part of its constitutional mandate to promote " the extension of social security to all"² the ILO is working on the definition of a minimum set of social security guarantees that should be the social security part of that floor.

Our actuaries and economists have shown that such a set of minimum guarantees - consisting of income security for children, social assistance inter alia through employment guarantees for the active population, income security for the elderly and disabled, as well and access to essential health care - is affordable - at least partially - in almost all countries. There is hardly anybody too poor to share.

Such guarantees are the most direct and effective instruments that a society has to reduce poverty. We can show that with an investment of about 4% of GDP the poverty headcount can be reduced by up to 40% in poor countries in Africa. Incidentally, domestic revenues in Africa have increased by an average of 4% since Monterrey.

¹ See for example: GB.294/ESP/4 (Social protections as a as productive factor); Social Security Department: Social security for all: Investing in social justice and economic development , Geneva 2008 and also P. Townsend (ed.): *Building decent societies: Rethinking the role of social security in development* (Geneva, ILO, forthcoming).

² See ILO Declaration on Social Justice for a fair Globalisation, Geneva 2008, section I,(ii)

We are not dreaming when promoting basic social security for all. And we are not alone.

The ILO is just finalising a meta-study – analysing about 80 individual studies - on the new cash transfer programmes that have sprung up in about 30 developing countries around the world during the last 10 years and are providing elements of a social floor. Lead by flagship programmes, like Oportunidades in Mexico, Bolsa Familia in Brazil, the child-, old age - and invalidity grant system in South Africa and the unfolding 100-day-employment guarantee scheme in India, about 70 programmes are in operation world wide. They already reach between 150 and 200 million beneficiaries. Our study concludes that these grant systems have positive impact on poverty, health and nutrition, social status or recipients notably women, economic activity and entrepreneurial small scale investments notably in agriculture, and do not even have marked negative effects on labour market participation of the poor population they serve. In short, these schemes are creating social integration. And they do so successfully.

We know now enough about these schemes to act. It is up to all of us to support national and international social floor initiatives. That is real support for real social integration. And the international agencies and the donor community can help. We can help countries to build social budgets, and establish priority social needs, and identify the necessary fiscal space to finance transfers, we can train solid managers and financial analysts. The ILO has entered into such programmes in Tanzania, Zambia, Nepal, Sri Lanka, Ecuador and – with the help of the EU - we will add another five countries to that within the year. But it is time to multiply efforts.

Building the expertise that is necessary to trigger sustainable national action that aims bailing people out of poverty will cost a fraction of what it costs to bail out banks.

The ILO, UNDESA and UNICEF are trying to build a coalition of international agencies and donors to start a concerted effort on building national capacities to plan and implement sustainable social transfer schemes.

And we are looking for help - to make a difference.

Thank you.

