

Commission for Social Development
49th Session
Expert Panel on Emerging Issues: Social Protection
(14 February PM)

The Commission convened an Expert Panel on Social Protection under sub-item 3 (c) on Emerging Issues and heard presentations from the following panellists: Mr. Michael Cichon, Director of the Social Security Department of the International Labour Organization; Ms. Sarah Cook, Director of the United Nations Research Institute for Social Development and Mr. Michael Morass, Deputy Head of Unit for External Relations, Neighbourhood Policy, Enlargement, IPA Directorate General for Employment and Social Affairs of the European Commission

Social protection, poverty and vulnerability

It was noted that, in addition to cushioning individuals and families against the crisis and other shocks, social protection aims at reducing poverty and vulnerability, developing human resources and fostering social integration, cohesion and justice. Countries that have successfully reduced income poverty and improved social conditions on a broad scale have developed comprehensive social protection programmes and integrated them into broader social and economic development strategies.

In contrast, countries that have emphasized market-oriented instruments and narrowly targeted interventions tend to be less effective in reducing poverty. It is estimated that an investment in social protection of 4 per cent of GDP for basic social transfers can lower the food poverty rate in low-income countries by 40 per cent, and investment in essential health care for all can likely reduce the food poverty rate by an additional 20 per cent.

The Social Protection Floor initiative

It was noted that the Social Protection Floor could provide a systemic base to address poverty and vulnerability, as it entails four essential guarantees: access to essential health care for all; income security for children; assistance for unemployed, underemployed and poor persons; and income security for older persons and persons with disabilities.

It was pointed out that seed investments in a Social Protection Floor can create a virtuous cycle of development, leading to improved schooling, training and health, thus creating greater human resources. This in turn leads to more persons employed in the formal sector who pay taxes, all resulting in higher levels of social protection.

It was stated that the Social Protection Floor Initiative could include: raising awareness, establishing a national Social Protection Floor task force, taking stock of the social protection situation, elaborating measures and conducting analysis, followed by implementation and monitoring. In this regard, a Social Protection Floor would involve assessing priorities and opportunity costs to determine which gaps can be tackled in the short-term and which must be addressed in the long-term.

Challenges to universal social protection

Lack of resources and weak political support have resulted in fragmented, narrowly-targeted social safety nets which often suffer from coverage gaps and involve high administrative costs. It was emphasised that social protection programmes should not be limited to a set of targeted, independent measures, but should move towards comprehensive, universal systems in order to have a meaningful impact on poverty and social cohesion. All individuals should be covered when in need. Comprehensive systems are also more likely to be fiscally and politically sustainable.

There is no one-size-fits all. The expansion of social protection systems can take various paths depending on the policy choices of Governments, the nature of existing institutions and the level of economic development and fiscal space.

In developed countries, increases in life expectancy and the consequent ageing process make current pension systems unsustainable. In European countries, where the process of ageing is more advanced, reforms are being implemented and include measures such as mixed pension systems (with pay-as-you-go and funded components) and raising the age of retirement. However, more has to be done to ensure active ageing and to keep older workers in the labour market. Other labour market-related challenges include achieving a balance between increasing labour market flexibility and income security, and the need to reduce labour market segmentation and reach the most marginalized persons and groups.

In developing countries, the high levels of informality pose significant challenges to universal coverage. However, social protection can be a catalyst for the expansion of the formal sector, as the incentive of social protection benefits could lead workers and businesses to “formalize”.