

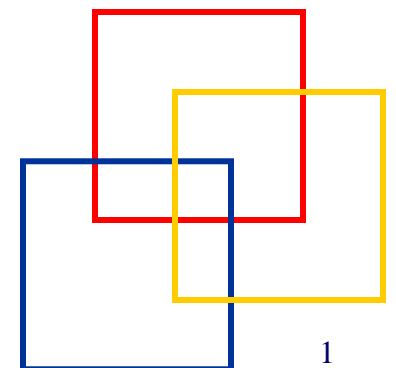


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A Social Protection Floor for all A UN Joint Crisis Initiative

Michael Cichon, ILO
Werner Obermeyer, WHO
4 November 2009

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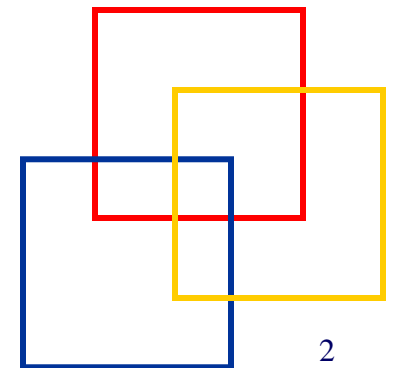




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Structure of the presentation

- **One:** Roots and rationale of the Social Protection Floor concept
- **Two:** The CEB Social Protection Floor Initiative: A reminder
- **Three:** Affordability and feasibility
- **Four:** Where we are and where we want to go

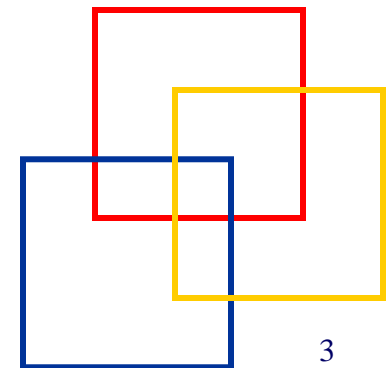




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One: Rationale: social and economic necessity of social protection systems ...

- We know from more than one century of history of the modern welfare state that social transfers and services are powerful policy instruments to combat poverty, insecurity and inequality and ...achieve the MDGs
- **Social services and transfers are an economic necessity to unblock the full economic potential of a country, *only people that are healthy, well educated and well nourished can be productive***
- **There is now widespread acceptance that social protection/security serve as social and economic stabilisers in times of crisis**
- **Countries with existing systems are in a better position to cope with the social and economic fall-out than those who have to introduce new ad-hoc measures**
- And yet, still 75-80% percent of the global population do not enjoy a set of social guarantees that allows them to deal with life's risks...
- ...There is a need for a **social protection floor** below which nobody should fall ...



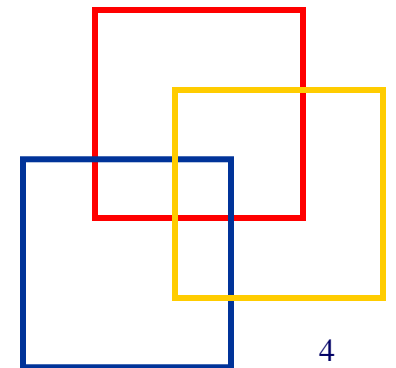
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One: The roots ...

- Article 22 of the **Universal Declaration of Human Rights** states: “**Everyone, as a member of society, has the right to social security**” further explained by article 25 and echoed by the **International Covenant on Economic and Social Rights (1966, 1976)** as commented by the Committee on Economic , Social and cultural rights in 2008 stating
 - *Progressive implementation of the right to social security while maintaining*
 - *a core obligation to select a core group of social risks and contingencies for immediate implementation*

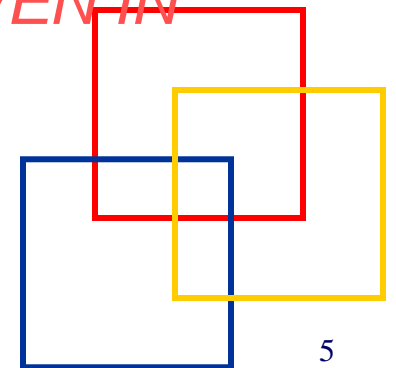




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One: The roots ...

- Article 25 including the right to health and well being including food , clothing, housing and medical care and necessary social services ...special care and assistance in case of motherhood and childhood...
- Article 26 stipulated the universal right to education...
- Article 27 the right participate in the cultural life of the community...
- *THE SPF CONCEPT TRIES TO PROVIDE a LOGICAL AND COHERENT FRAMEWORK FOR THE CORE CONTENT OF THE BASIC SOCIAL RIGHTS EVEN IN TIMES OF CRISES*

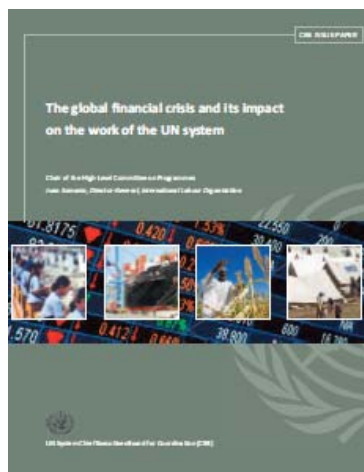




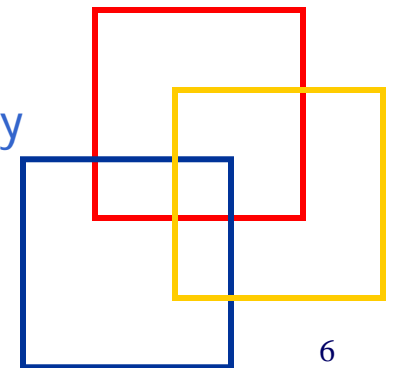
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Two: A UN System Emergency response to the crisis

- On April 2009, the UN Chief Executives Board (CEB) has agreed on **nine joint initiatives** to confront the crisis, accelerate recovery and pave the way for a fairer and more sustainable globalization:
 1. Additional financing for the most vulnerable
 2. Food Security
 3. Trade
 4. A Green Economy Initiative
 5. A Global Jobs Pact
 - 6. A Social Protection Floor**
 7. Humanitarian, Security and Social Stability
 8. Technology and Innovation
 9. Monitoring and Analysis



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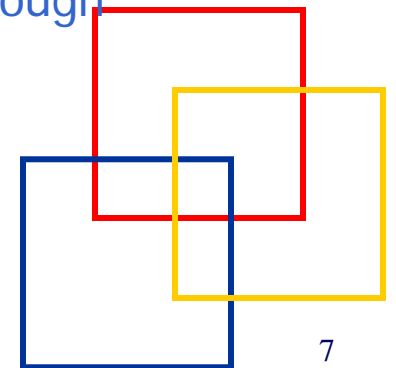




Two: What is the Social Protection Floor (SPF) Initiative? .. As agreed in the concept note and the CEB issues paper

● The SPF Initiative

- **Promotes** a holistic and coherent vision of national social protection systems as a key component of national development strategies and seeks to
- **Support countries** in identifying and closing crucial protection gaps through coherent and efficient measures that maximize the effects of scarce resources on the reduction of poverty and insecurity, through
- **Concerted actions of UN agencies**, national governments and, stakeholders as well donor agencies in order to
- **Alleviate the negative social impact** of the crisis and increase the resilience of societies against the impact of future crises through the implementation of automatic social and economic stabilisers.

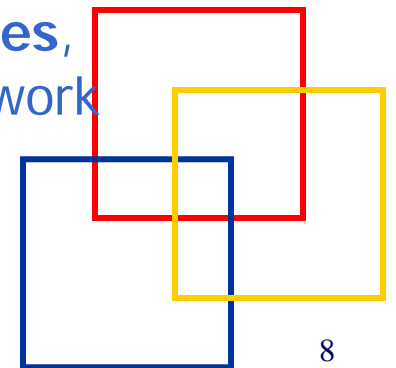




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Two: What is the Social Protection Floor (SPF)–Initiative? .. As agreed in the concept note and the CEB issues paper

- The SPF Initiative thus aims at joint UN action to promote access to essential services and social transfers for the poor and vulnerable. It includes:
 - A basic set of **essential social transfers**, in cash and in kind, to provide a minimum income and livelihood security for poor and vulnerable populations and to facilitate access to essential services, such as health care
 - Geographical and financial **access to essential services**, such as health, water and sanitation, education, social work

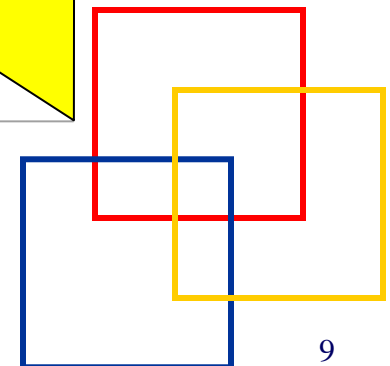




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Two: What is the Social Protection Floor (SPF)–...a unique matrix of supply and demand

Means to ensure availability of:	Health services	Water and sanitation Housing	Education	Food	Other social services as defined by national priorities (including life and asset
Rights and transfers to guarantee access for: Children					
People in active age groups with insufficient income from work					
Older persons and people with disabilities (e.g.pensions)					



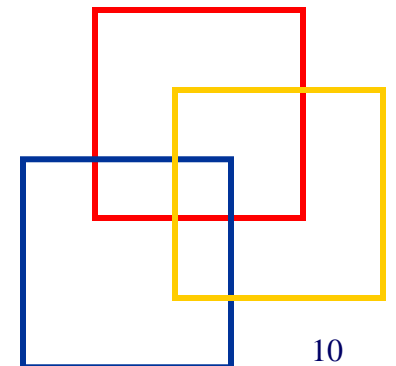
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Two: The social transfer component of the social protection floor could consist of four essential *social security guarantees*:

- All residents have ...access to a nationally defined set of essential health care services;
- All children have income security, at least at the level of the nationally defined poverty line level, through family/child benefits aimed at facilitating access to nutrition, education and care;
- All those in active age groups who are unable to earn sufficient income on the labour markets should enjoy a minimum income security through social assistance ...
- All residents in old age and with disabilities have income security at least at the level of the nationally defined poverty line through pensions for old age and disability.

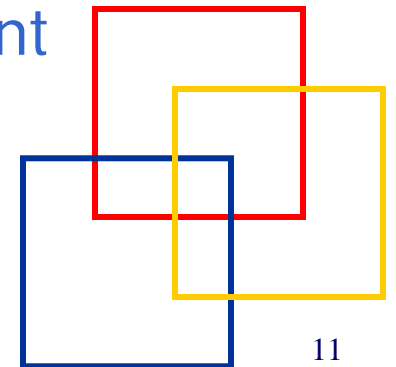




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Two: Who participates in the SPF-Initiative?

- The Initiative will be owned by national stakeholders, including governments (ministries of labour, health, finance, agriculture ...), social partners and national NGOs, etc. with support of ...
- UN agencies such as ILO, WHO, FAO, IMF, OHCHR, UN Regional Commissions, UNAIDS, UNDP, UNDESA, UNESCO, UNFPA, UNICEF, UNHABITAT, UNHCR, UNODC, UNRWA, WFP, WMO, other international organizations such as World Bank and Regional Development Banks, and bilateral donors, and International NGOs

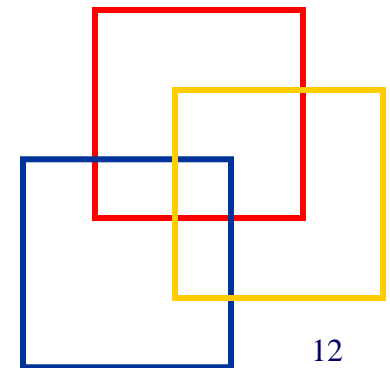




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Three: Affordability: Essential cash transfers financing most of the need for essential goods and services are affordable: A simulation exercise – Assumptions

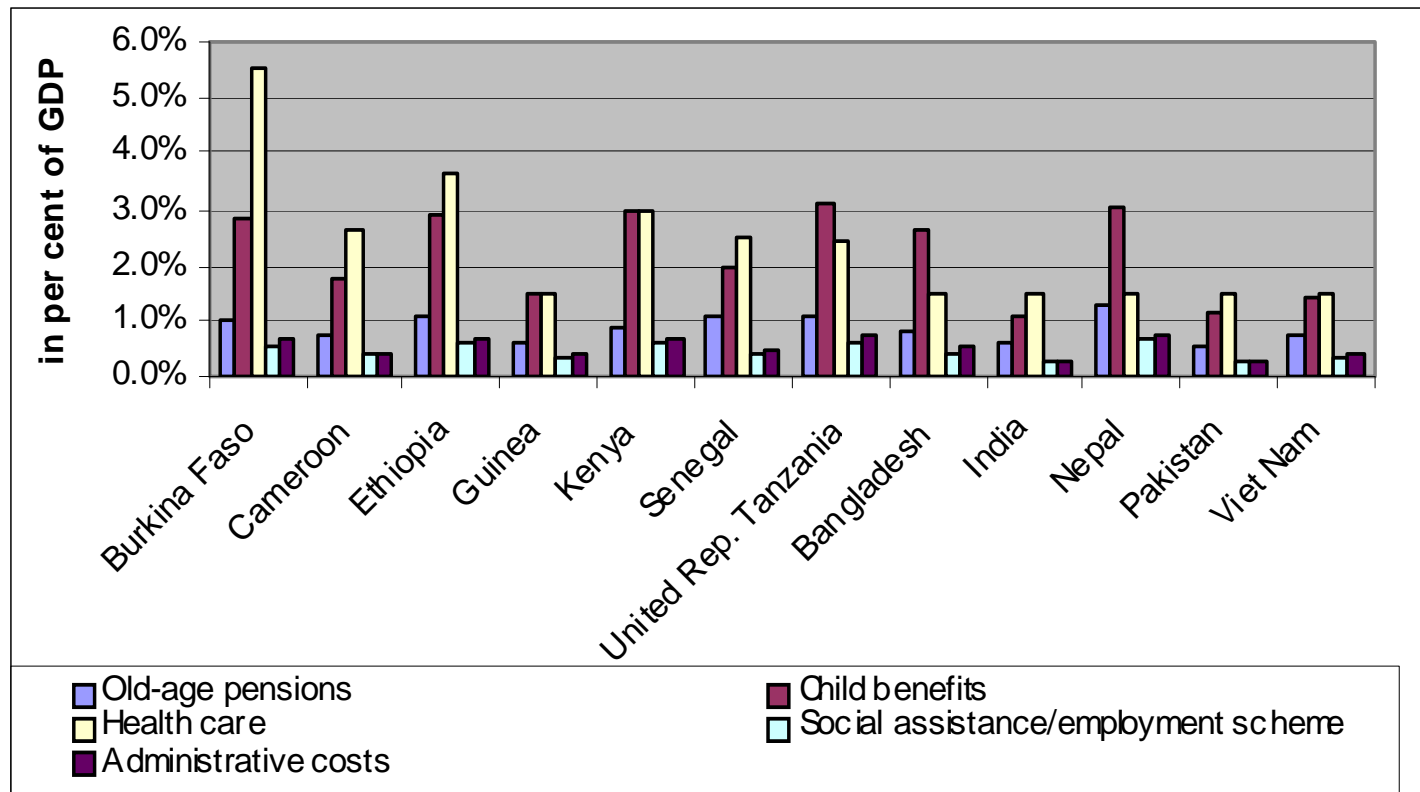
- **Basic old age and invalidity pensions:**
 - 30% of per capita GDP capped at US\$ 1 PPP per day
- **Child benefits:**
 - 15% of per capita GDP capped at US\$ 0.50 PPP, for a max. of two children in age bracket 0-14
- **Essential health care:**
 - based on a health system staffing ratio of 300 medical professionals per 100,000 population, overhead 67% of staff cost ...
- **Basic social assistance for the unemployed:**
 - 100 day guaranteed employment paid at 30% of per capita daily GDP to 10% of the population
- **Administration cost:**
 - 15% of cash benefit expenditure



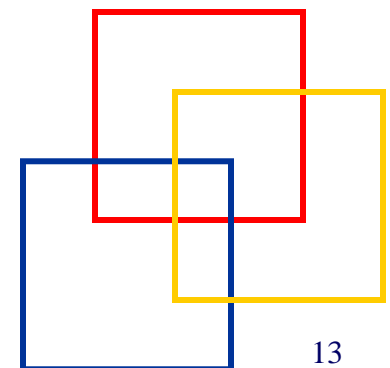


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Three:... a basic social protection package is affordable: Cost of basic transfers...



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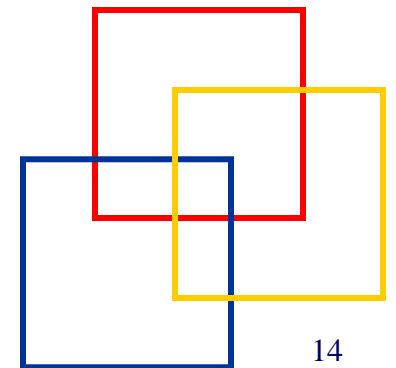




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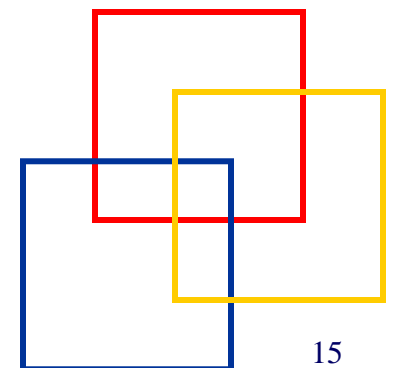
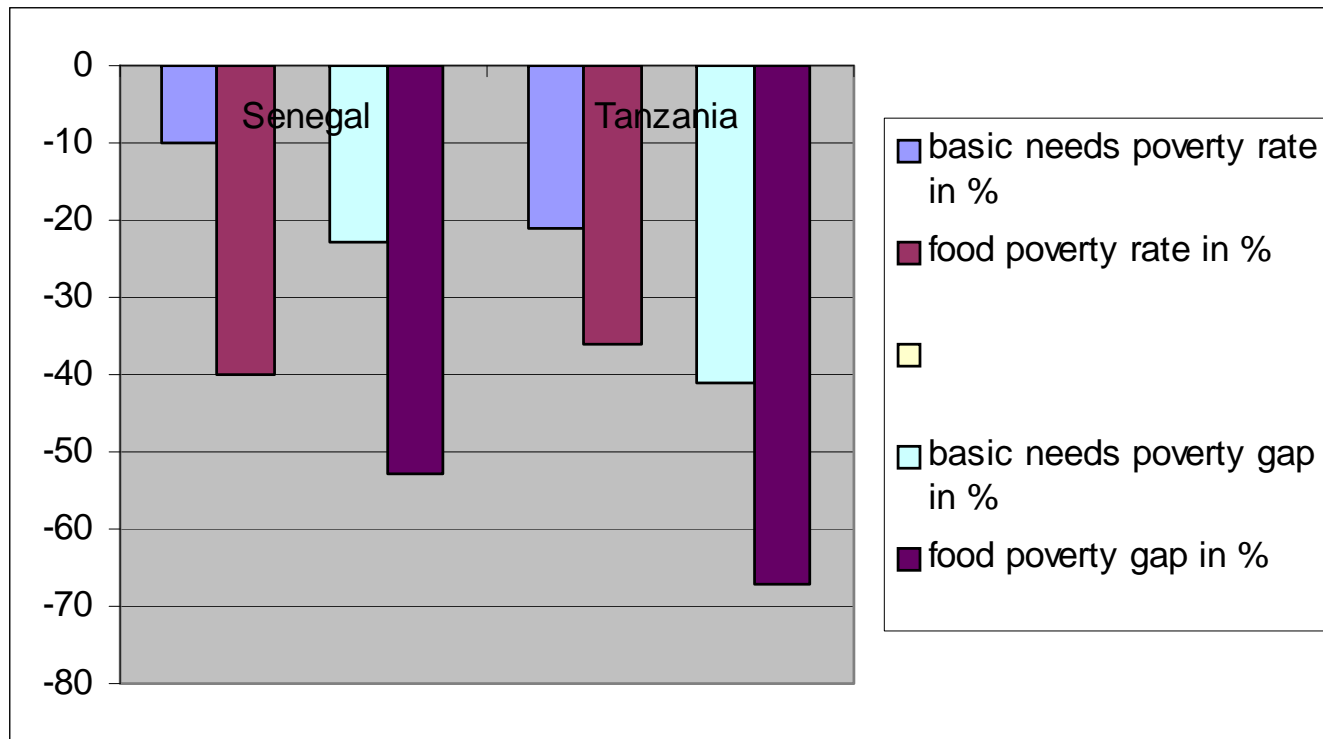
Three: Impact...

- A basic package of modest pensions and child benefits can reduce the poverty head count by 40 per cent in poor developing countries at a cost of 3-4 per cent of GDP.
- In Latin America the cost of a modest package of conditional child cash transfers, universal pensions and basic health care can be kept under 5% of GDP; the poverty headcount effects can reach a reduction of more than 50%



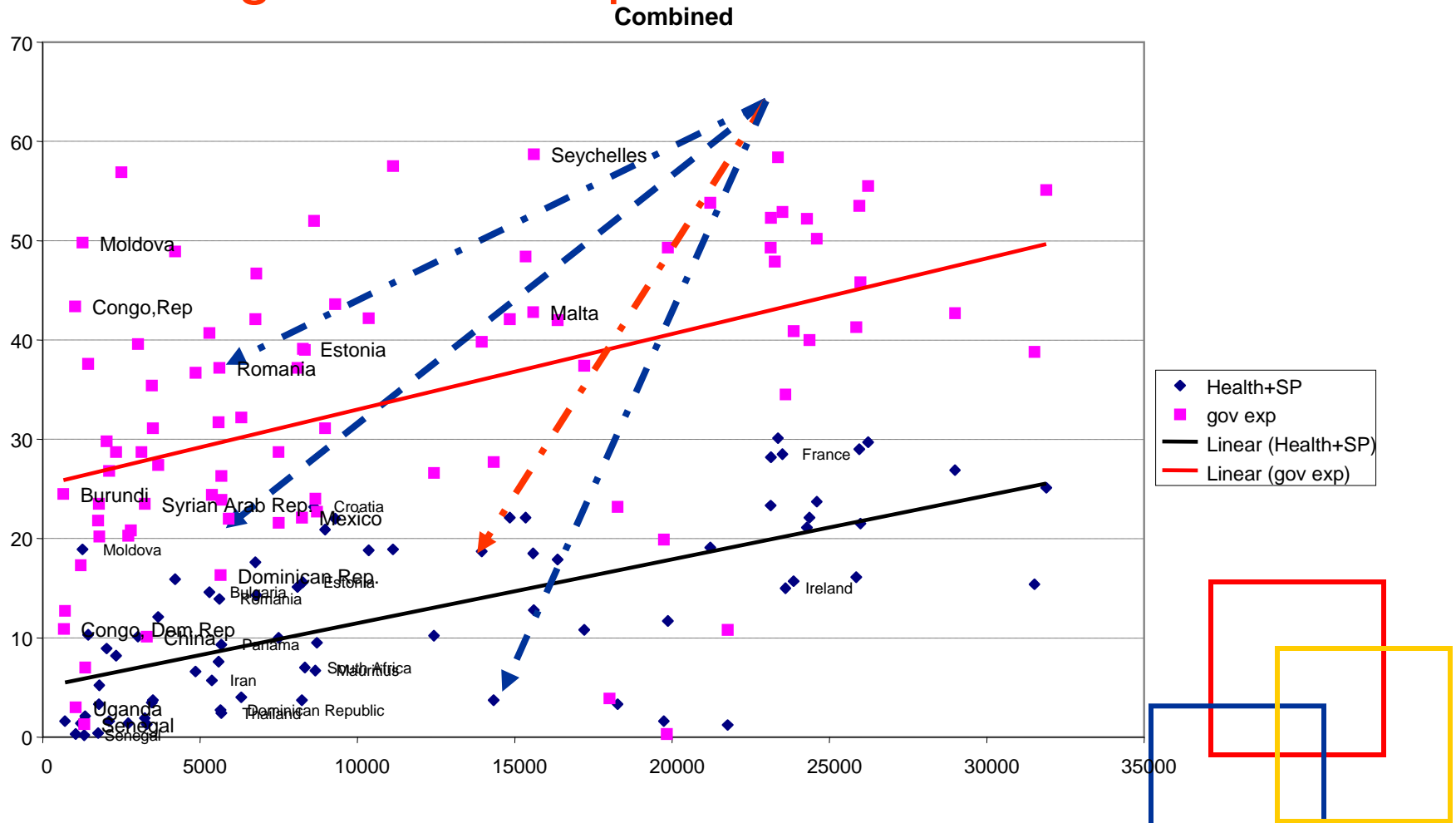


Three: Impact...effects on poverty of a basic package of pensions and child benefits





Three: Financing strategies: Lack of fiscal space? The good news – part I

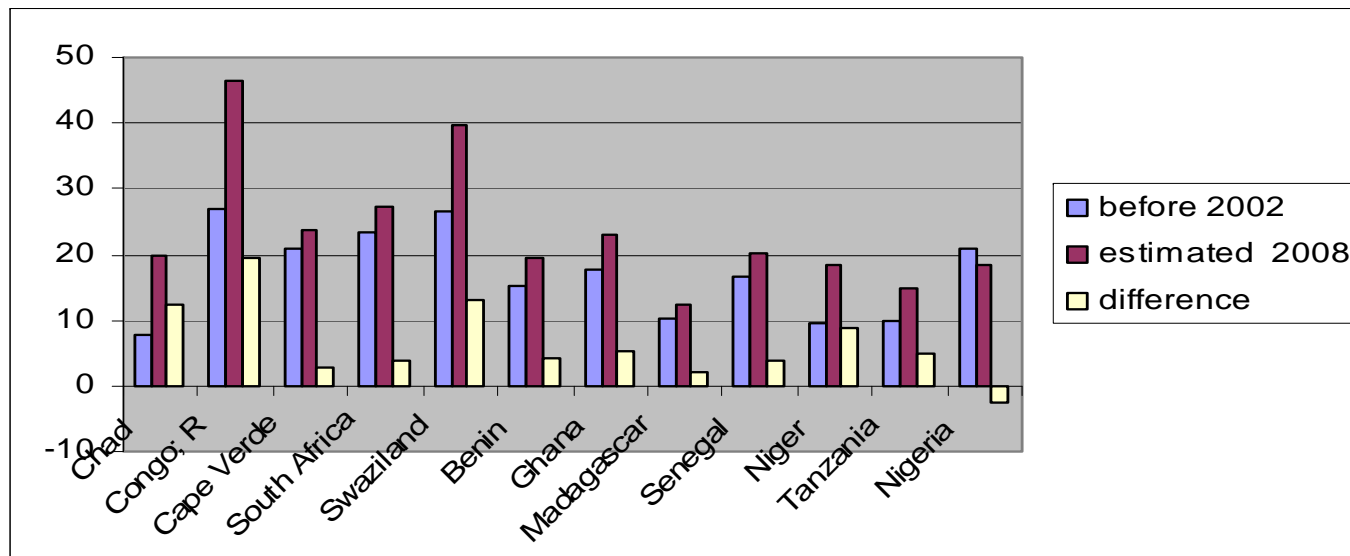




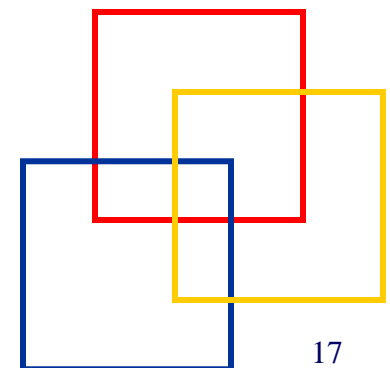
Three: Good news part II: Growing fiscal space

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- Sub-Saharan African countries increased on average domestic revenue from 15% to 19% of GDP between 1997 and 2006
- ...and after Monterrey domestic resources increased (source OECD and ECA)...



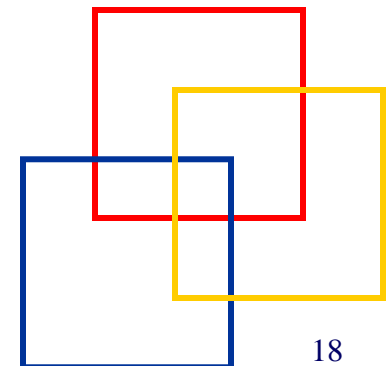
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Three: Feasibility demonstrated by international experience: Cash Transfers – present prevalence

Type of cash transfers	Countries	Number
Unconditional		
Household income support	Chile, China Indonesia, Mozambique, Pakistan, Zambia	6
social pensions	Argentina, Bolivia, Bangladesh, Brazil, Chile, Costa Rica, India, Lesotho, Namibia Nepal, South Africa, Uruguay	12
Child/family benefits	Mozambique, South Africa	2
Conditional		
Cash for work	Argentina, Ethiopia, India, Korea, Malawi, South Africa	6
Cash for Human Development	Bangladesh, Brazil, Colombia, Ecuador Honduras, Jamaica, Mexico, Nicaragua	8

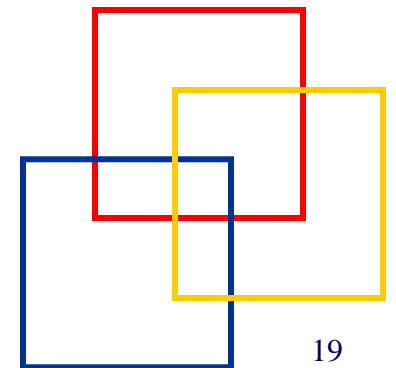




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Three: Preliminary Results of an ILO Meta study “Compendium of Cash transfer programs in Developing Countries” ...a number of countries are already providing basic guarantees

- **Number of countries in study:** 28 - 8 in Africa, 9 in Asia, 11 in Latin America
- **Number of studies:** 80 studies during 1999 and 2008
- **Number of programmes:** 63
- **Estimated number of total beneficiaries (primary and secondary , at the end of 2008):** between 150 and 200 million people
- **Expenditure starts at less than 0.5% of GDP...**



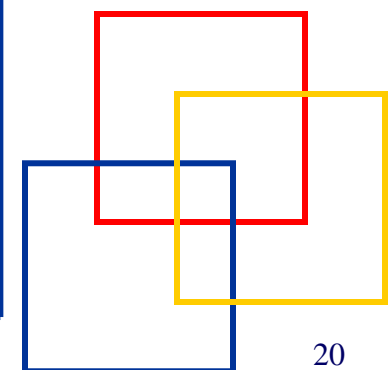


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Three: Social impact – Preliminary Results of an ILO Meta study

Criteria	Number of studies that found Effect positive	Effect small/neut.	Effect negative
Poverty/Vulnerability			
Poverty	46	9	-
Inequality	5	1	-
Health/nutrition	25	1	-
Education			
Enrolment	30	-	-
Quality	9	5	-
Labour Market Participation	9	5	3
Child labour	12	3	-
Prod. Investments/act's	40	5	-
Social Status/bonds	23	1	2
Gender	13	4	-

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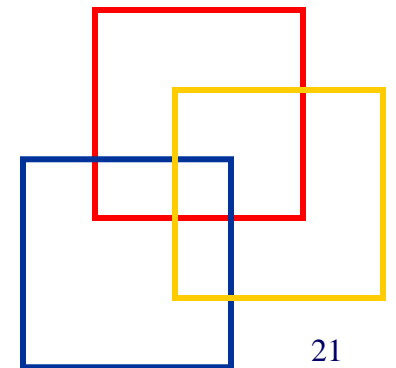




Four: What has been done so far

- **International advocacy:**

- The recommendation to build “*adequate social protection for all, drawing on a basic social protection floor*” was endorsed by the 98th Session of the ILC as part of the Global Jobs Pact (GJP).
- ECOSOC approved the Resolution E/2009/L24 encouraging countries to promote and make full use of the GJP, including the social protection floor
- G8 and G20 declarations mentioned the importance of social and employment policies as a crucial pillar in the context of a new global framework.
- A tripartite meeting of experts on extension of social protection in Geneva endorsed the concept of the Social Protection Floor.
- All UN national resident coordinators were informed on the crisis initiatives and the UNDG is preparing a concise note for each initiative.

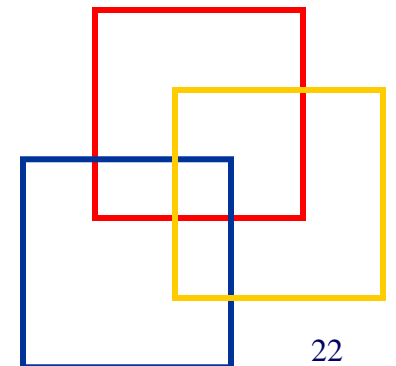




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Four: What has been done so far

- **Rapid dissemination of the policy concept** of the Social Protection Floor to national social protection planners is ensured through a capacity building programme in collaboration with the ILO Turin Centre and the key collaborating agencies. The first course started on 2 November in the Turin Centre.
- **Translating concept into into practice through** A SPF-I manual with guidelines for country operations on the strategic framework for joint UN country operations was drafted a workshop in Turin (with representatives of 15 UN cooperating agencies and IFIs, some donors and NGOs).
- **Setting up of a Global SPF Advisory Network** composed by focal points in the UN agencies and IFIs, to provide support to the country representatives and to monitor progress at global and regional levels. The Network should coordinate activities in the following areas:
 - Knowledge management
 - Capacity building for national planners
 - Joint advocacy and fund raising
 - Developing a common implementation framework
 - Monitoring, evaluating and reporting



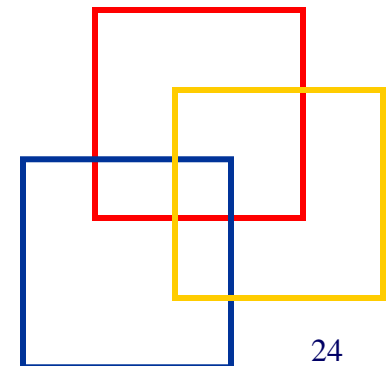
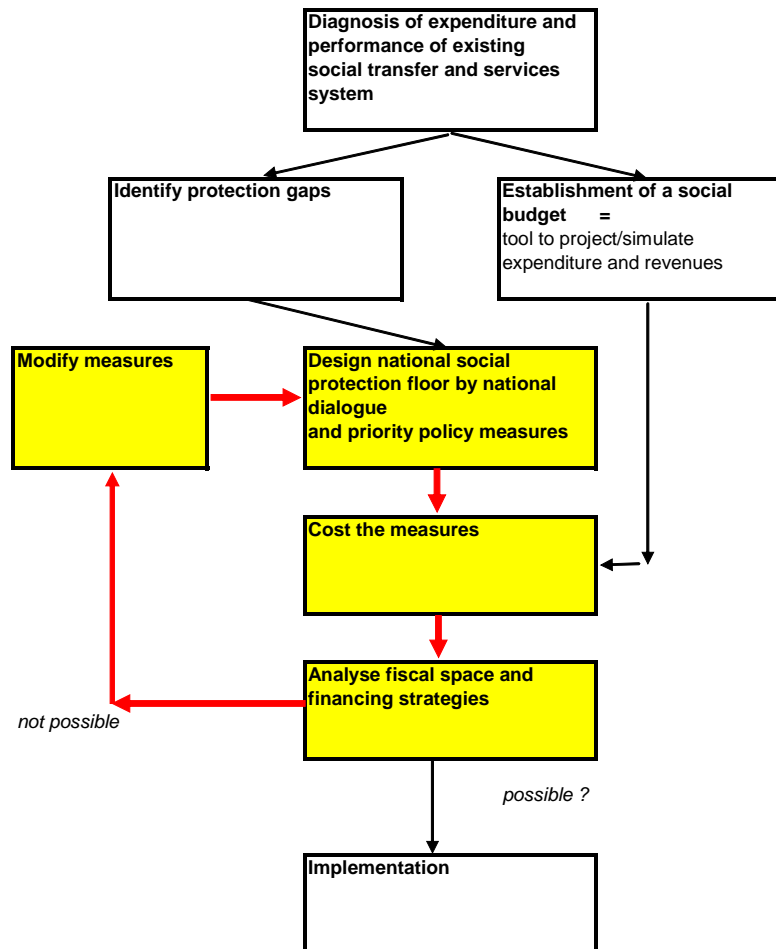


Four: What needs to be done next

- **National level:** setting up of national SPF task forces composed by representatives of governments, social partners and other stakeholders, and supported by UN SPF country teams, supported - if requested - by the UN country reps:
 - to raise awareness ;
 - to prepare diagnostics and assessments;
 - to propose a country specific approach to the social floor;
 - to identify alternatives and make concrete proposals and to monitor and evaluate the results
- **Integration into national, regional and global planning process is fundamental,** SPF country activities will not build parallel structures. It should seek policy coherence with United Nations Development Assistance Framework (UNDAF), Poverty Reduction Strategy Paper (PRSP), and the WB Rapid Social Policy Response.
- **Testing the concept:** The next step is to start to work at the national level in the pilot cases. Burkina Faso could be the first one. Cambodia, Mozambique and Ecuador ... maybe ...



Four: ...country based process ...

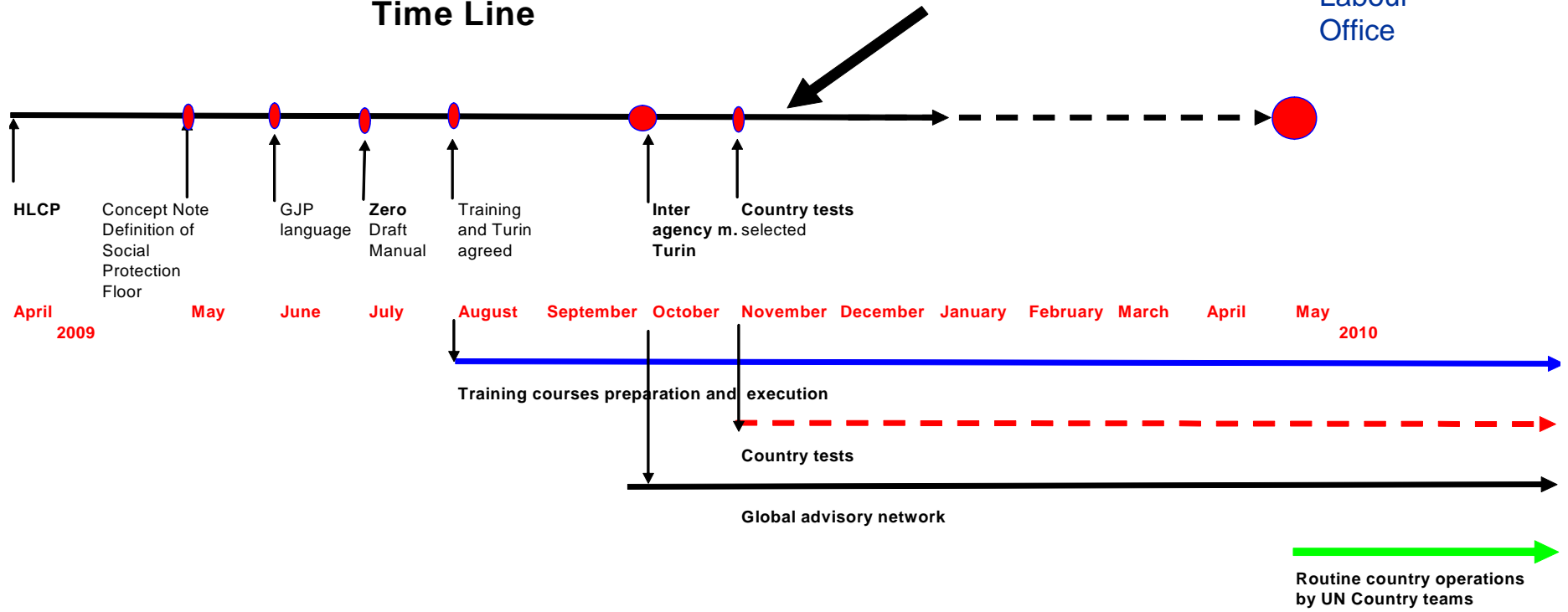


Four: Where are we...

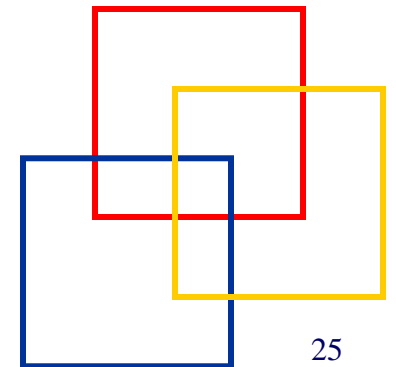


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Time Line



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And finally

- The time to make a difference is now...
- If the crisis can leave behind a broadbased consensus that people in the global economy and the global society have a right to a basic level of social protection and that this is feasible... the crisis has not been wasted.

