Social Protection

IN the fight against global poverty, the Commission for Social Development focuses its attention on the critical issue of social protection for the poor and vulnerable in society.

CONTENTS

Introduction

This issue of the *Bulletin on the Eradication of Poverty* highlights the importance of social protection in the struggle against global poverty. Today, social protection is seen as a fundamental right of individuals to access effective and efficient programmes that alleviate hardship arising from economic and social risks, such as sickness, old age, unemployment, disability and social exclusion. As the spectre of poverty continues to haunt more than a billion people, there is a need to establish or improve social protection systems, particularly in developing countries, to cover risks that trap people in poverty as well as to ensure access for all to social protection. The poor are the most vulnerable to economic crises, natural disasters or health shocks and are the least able to cope with their economic consequences. Without access to social protection and insurance mechanisms, the majority of the poor, especially in developing countries, often find themselves in a vicious cycle of greater vulnerability and deeper poverty.

The need for social protection for the poor and vulnerable has been recognized by international human rights instruments such as the Universal Declaration of Human Rights of 1948 and the International Covenant on Economic, Social and Cultural Rights of 1966. Article 22 of the Universal Declaration of Human Rights states that "everyone, as a member of society, has the right to social security", and article 9 of the International Covenant on Economic, Social and Cultural Rights refers to "the right of everyone to social security, including social insurance".

Social protection was a central theme at the World Summit for Social Development, held in Copenhagen in 1995, at which Governments committed themselves to "develop and implement policies to ensure that all people have adequate economic and social protection during unemployment, ill health, maternity, child-rearing, widowhood, disability and old age".[1] At the twenty-fourth special session of the General Assembly, a review of the Summit held in Geneva in June 2000, further proposals were made on ways to share best practices on how to establish or improve existing social protection systems. The topic of social protection also received serious consideration during the Economic and Social Council's discussions of the theme, "financing for development".

Innovative approaches to the construction of social protection paradigms, policies and programmes are also being developed and implemented as part of the poverty eradication efforts of specialized agencies of the United Nations system such as the International Labour Organization (ILO), World Bank, World Health Organization (WHO), United Nations Children's Fund (UNICEF), United Nations Development Programme (UNDP), the United Nations High Commissioner for Refugees (UNHCR) and the United Nations Centre for Human Settlements (Habitat).

At its session in February 2001, the Commission for Social Development focused its attention on the critical role of social protection. Its discussions were facilitated by the report of the Secretary-General on enhancing social protection and reducing vulnerability in a globalized world (E/CN.5/2001/2). What follows are highlights of some of the main issues raised in that report.

Why social protection?

One of the main conclusions of the Secretary-General's report is that social protection for the poor is critical to modern societies that strive to become more humane in dealing with the poor and vulnerable. It should be central to the concerns of policy makers since, particularly in developing countries, policy interventions on behalf of the poor are known to improve their well-being by, among other things, moderating the impact of shocks caused by sharp reductions in their income or consumption. Social protection represents a collective effort by society to shelter people from economic and social risks, such as sickness, old age, unemployment, social exclusion and other social ills. The aim of social protection should be to enhance the capacity of the poor and vulnerable to manage risk.

Values of social solidarity, civility and fraternity, as well as responsibility and self-help are embodied in social protection. Social protection promotes a sense of community and is generally recognized as a powerful instrument in the fight against such social ills as homelessness and deprivation, isolation, crime and substance abuse. To enable social protection systems to operate effectively, the State should create adequate institutional and regulatory frameworks. Also, in collaboration with other stakeholders such as non-governmental organizations and civil institutions, the State should ensure that people are aware of their rights and entitlements under existing State-sponsored social security schemes.

Need to strengthen social protection systems in developing countries

The report emphasized that poor people in developing countries will benefit the most from the establishment of social protection systems in places where none currently exist and from the strengthening of existing social protection systems. Social protection is of crucial importance in developing countries because the majority of people in these countries who are engaged in various forms of rural or urban self-employment are not covered by formal social protection systems. The kind of social protection that poor people receive, particularly in rural areas, tends to come, not from public sources, but from already overburdened kinship, community-based and religious institutions. The report stated that while this approach has its merits, it should not be seen as a substitute for public action in providing basic social protection to the poor and vulnerable.

---

1 *Report of the World Summit for Social Development, Copenhagen, 6-12 March 1995* (United Nations publication, Sales No. E.96.IV.8), chap. I, resolution 1, annex I, commitment 2 (d).

As a follow-up to the commitments of Governments to reduce the proportion of people living in extreme poverty by one half by the year 2015, the report emphasized that policies and strategies should include social protection measures as part of the broader strategies adopted to achieve this goal. The following are some of the measures suggested by the report that Governments, especially in developing countries, in cooperation with civil society (voluntary or membership associations, trade unions, non-governmental organizations) might wish to adopt:[2]

- The main source of risk and vulnerability of the population should be analysed. There is a need to identify the population groups most affected by these risks, determine which of the identified groups are covered by existing social protection programmes and policies, and assess the effectiveness of these instruments individually and in combination;

- The aim is to reveal gaps in coverage as well as the cost-effectiveness of existing interventions. There is a need to develop a comprehensive approach to social protection by clearly defining the role of the Government, the private sector, family, and community-based associations and organizations. Since the family plays a pivotal role by providing assistance for the needy, especially to children and older persons during critical periods of the life-cycle, special efforts should be made to strengthen the institution of the family through public assistance programmes;

- In designing social protection systems, countries should define the methods of provision, funding, delivery and administration that are most appropriate to fulfil the prioritized objectives. Social protection strategies should be developed in a process led by Governments but involving extensive dialogue with civil society and including people in poor communities. This requires building technical capacity in policy development, research and advocacy, for civil society actors as well as for government institutions;

---

2 *The Poverty Reduction Strategy Sourcebook*, a useful source of information on different types of social protection policies and programes, can be found on the web site of the World Bank: http://www.worldbank.org/poverty/strategies/chapters/socprot/socprot.htm

- For countries where the private sector is playing a larger role in key areas of social protection, such as pension provision, there is a significant need to review practice and capacity in the private sector for the regulation of such activity. Insurance markets are notoriously difficult to operate effectively, and in instances where public policy opts for a growing private sector role in social insurance, this is likely to produce beneficial outcomes only if the capacity to regulate for social ends is robust;

- It is critical to have functioning information systems that are capable of analysing trends and the causes of poverty as well as monitoring the outcomes of social protection policy. Policy makers need accurate information concerning the realities of the conditions faced by the poor, the measures that are most likely to be effective, and the institutions that are perceived as trustworthy and effective in delivering support;

- In order to reinforce the political sustainability of transfers to the poorest, public policy must ensure that such programmes are monitored and evaluated and that the results are communicated to the tax-paying public to maintain solidarity and support. It is of equal importance to develop systems of social protection that can be effectively applied in the context of emergencies such as civil conflict and natural disasters;

- If a goal of social protection is to achieve enhanced equity and the reduction of poverty, then tax-funded social transfers can be highly effective if the fiscal situation permits them. Systems of social protection need to recognize the economic contributions that all citizens make (including older people and those with disabilities) and provide support to people at all stages of the life-cycle in acquiring skills and responding to changing demands in the labour market;

- Developing countries with large populations living in poverty should take major steps to improve their social protection systems as part of their economic and social development plans. Governments may wish to establish an expert body to undertake a critical review of the existing range of social protection

measures and devise a comprehensive social protection strategy, taking into account national development objectives and the effective allocation of available resources. The strategy thus identified should serve as the basis for cost-effective and sustainable social protection plans and programmes;

- As women continue to be disadvantaged in terms of their access to effective forms of social protection, it is important to give prominence to gender mainstreaming in all social protection schemes and programmes;

- Governments should find effective ways to provide social services to traditionally under-covered persons, including public-private partnerships and coordination with community-based organizations, local associations, self-help groups and others, which through clearly articulated arrangements could deliver services to beneficiaries. The input of the beneficiaries with regard to their needs and the effectiveness of delivery mechanisms ought to be incorporated in social protection programmes. Existing programmes often fail because of their "top down" approach, lack of people's participation and poor delivery systems. Decentralization of decision-making will improve delivery systems and their accountability;

- Finally, there is a need to strengthen public education on social protection issues. Individuals and households need to understand the choices and options available to them, and to be able to hold public policy accountable for its performance.

Need to strengthen support by the international community for social protection

The report strongly endorses the need to include, as part of a global campaign for poverty eradication, initiatives to develop effective social protection policies and systems. This could be accomplished by coordinating, through the Administrative Committee on Coordination (ACC), the work of specialized agencies within the United Nations system in the field of social protection.

Other initiatives that should be embraced by the international community include the proposal by the twenty-fourth special session of the General Assembly to establish a global network aiming to share information and experience of social protection instruments, and the commitment to promote corporate social responsibility. The latter involves encouraging transnational corporations in particular and the private sector in general to play a more active role in strengthening the provision of social protection and in providing adequate social protection systems for all workers. As capital becomes more "footloose" there is a significant danger that companies may invest less in developing the human capabilities of the workforce and the broader community from which the workforce is drawn.

A wide range of approaches may be needed to combat this trend, including international consumer and investor pressure, strengthened national and international regulation, and the strengthening of the capacity of corporations themselves to contribute to building social cohesion and human capability in societies where they are active. There is also great potential in promoting regional cooperation in the sharing of best practices and other relevant experiences in the design of social security systems.

With regard to debt relief, the report emphasized the need for the international community to address as a matter of urgency the critical issue of the heavy debt-servicing burdens that seriously undermine efforts at poverty reduction and social service provision, particularly in the least developed countries. In that connection, it is suggested that when debt is cancelled or reduced, steps should be taken by donors and intergovernmental agencies to ensure that the resources released are expended on social protection programmes.

Of equal importance is the need for the international community to assist developing countries in building their capacity to develop efficient social protection programmes to cope with the HIV/AIDS epidemic that continues to devastate the social fabric of many developing countries, especially in Africa.

Finally, since poverty, high-asset inequality and unequal access to public services have been found to be major causes of civil conflicts in many developing countries, it is important for Governments and intergovernmental agencies to address these issues. This may be

achieved through such measures as making resources available for public service provision, thereby addressing the root causes of conflict as well as post-conflict reconstruction. The maintenance of social stability at the national and global levels is intimately bound with this issue. Forms of inequality that promote growing disparities within and between nations and regions have the potential to fuel civil conflicts, often with disastrous consequences, not only for the affected country or countries but for the international community as a whole.

See the report of the Secretary-General on enhancing social protection and reducing vulnerability in a globalizing world (E/CN.5/2001/2). http://www.un.org/esa/socdev/csd/csd39docs/csd39e2.pdf

Poverty notes

Progress in meeting the goals of the first United Nations Decade for the Eradication of Poverty (1997-2006)

The latest data from the World Bank show that extreme poverty declined slowly in developing countries during the 1990s: between 1990 and 1998, the share of the population living on less than $1 a day fell from 29 to 23.4 per cent, and the number of poor people decreased by about 100 million. However, these global figures are heavily influenced by the impact of rapid economic growth in China. During the 1990s the per capita gross domestic product in China rose by 9 per cent per year, and by 1998 its share of the world's poor had dropped from about one fourth to less than one fifth over the period.

It is important to note that not all regions were equally successful in reducing poverty during the 1990s. In East Asia, poverty declined the most rapidly during the 1990s, led by sharp declines in China. In South Asia, the proportion of the population living below the poverty line declined moderately through the 1990s, but the absolute number of poor did not fall. In Latin America, both the share and the number of poor declined between 1990 and 1998. In sub-Saharan Africa, slow growth increased both the share and the number of the poor over the 1990s; Africa is now the region with the largest share of people living on less than $1 per day. In the Middle East and North Africa, the percentage of people living on less than $1 per day declined slightly. In the countries with economies in transition poverty rose sharply during the 1990s.

See the report of the Secretary-General on the first United Nations Decade for the Eradication of Poverty (A/56/229). http://www.un.org/esa/ socdev/ssgreport_poverty_56.pdf

International Day for the Eradication of Poverty

The International Day for the Eradication of Poverty falls each year on 17 October. The Department of Economic and Social Affairs (DESA), in collaboration with ATD Fourth World, will hold a ceremony at the North Lawn of the United Nations to commemorate the Day. On the same day, DESA is also planning to organize a panel discussion on the theme, "the role of cooperatives in poverty reduction". Further information on International Day and the two events is available at: http://www.un.org/esa/socdev/poverty.htm.

Calendar of events, Economic and Social Commission for Asia and the Pacific

Upcoming events related to poverty organized by the Economic and Social Commission for Asia and the Pacific (ESCAP):

- Regional Seminar on Promotion of Organic Agriculture for Rural Employment and Income Generation, 26-28 November 2001, Chiang Mai, Thailand.
- National ESCAP HRD Training of Trainers Course for Poverty Alleviation and Conflict Negotiation Skills for Youth, November 2001, Manila, Philippines.
- Regional Seminar on Improving Access to Social Services by the Poor and Disadvantaged Groups, 10-12 December 2001, Bangkok, Thailand.
- National ESCAP HRD Training of Trainers Course for Poverty Alleviation and Conflict Management among Youth, December 2001, New Delhi, India.
- Regional ESCAP HRD Course for Poverty Alleviation, early 2002, Shanghai, China.

Selected publications, Economic and Social Commission for Asia and the Pacific

Some recent ESCAP publications and reports of meetings held in 2001:

- *Economic and Social Survey of Asia and the Pacific, 2001* (ST/ESCAP/2104).
  See Chap. 3, Socio-economic implications of demographic dynamics.
- *Rural Industrialization as a Means of Poverty Alleviation* (ST/ESCAP/1976).
- *Grass Roots Synergy in Rural Poverty Alleviation: Why and How?* (RDS/PUB/2001/1).
- *Reducing Disparities: Balanced Development of Urban and Rural Areas and Regions within the Countries of Asia and the Pacific* (Sales No. E.01.II.F.24).

See the ESCAP web site: http://www.unescap.org

Internet access to information on United Nations poverty eradication activities

For information on the activities of the Department of Economic and Social Affairs of the United Nations Secretariat, including follow-up to the World Summit for Social Development and the first United Nations Decade for the Eradication of Poverty, see the home page of the Division for Social Policy and Development at http://www.un.org/esa/socdev/. Information on the first United Nations Decade for the Eradication of Poverty is available at http://www.un.org/esa/socdev/poverty.htm.

EDITOR'S NOTE

The *Bulletin on the Eradication of Poverty* is prepared by the Division for Social Policy and Development of the United Nations Secretariat. It will be issued periodically to provide updated information on follow-up activities related to the first United Nations Decade for the Eradication of Poverty (1997-2006).

Address correspondence to:
Editor, *Bulletin on the Eradication of Poverty*,
United Nations Secretariat,
Room DC2-1334, New York, NY 10017,
United States of America.