



International
Labour
Office

Social Protection

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International Labour Organization

Social Protection: A Human Right and SDG

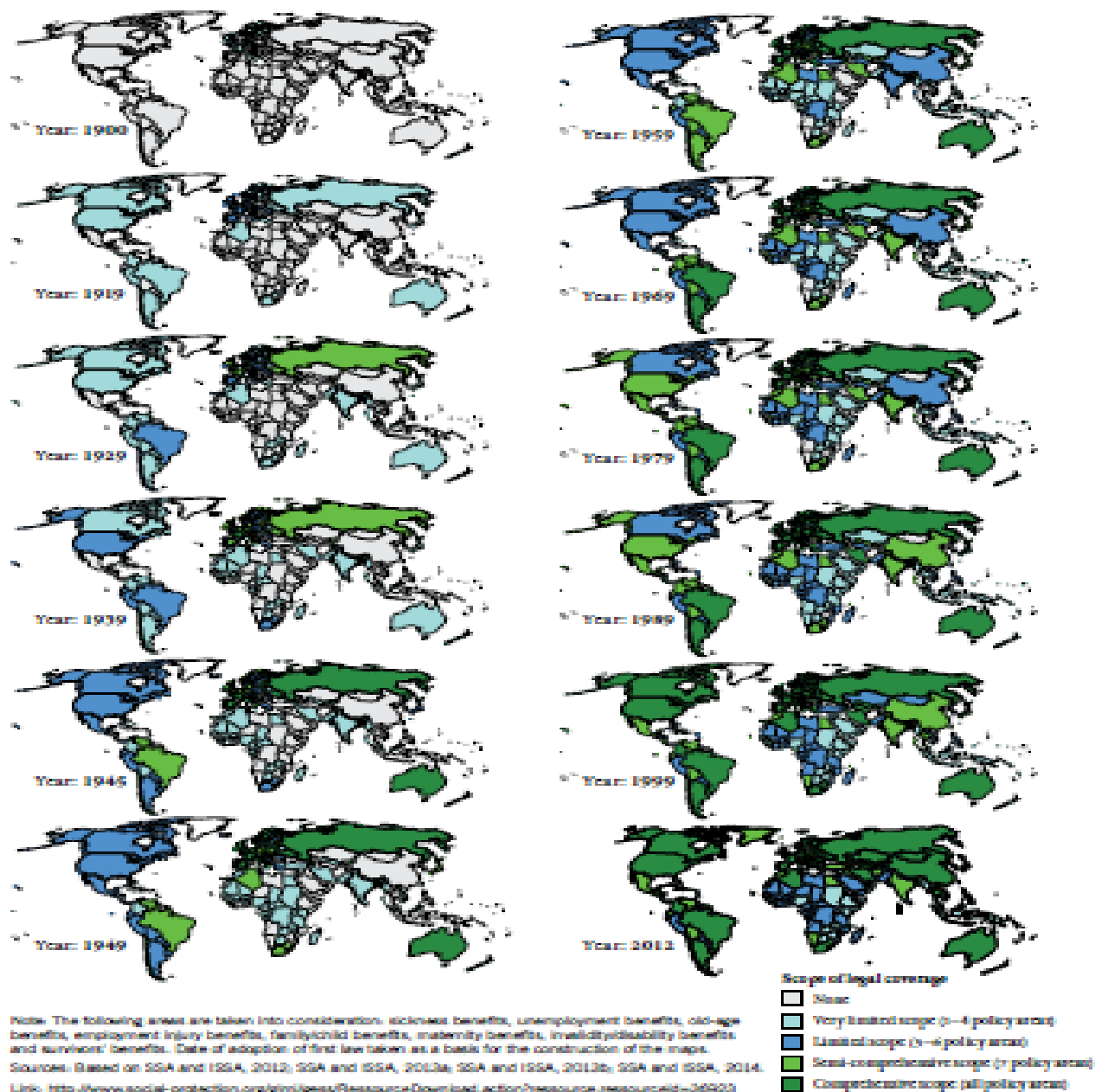
- Article 22 of the [Universal Declaration of Human Rights](#) states
“Everyone, as a member of society, has the right to social security”
- [Social Security \(Minimum Standards\) Convention, 1952](#) (No. 102)
- [The Social Protection Floors Recommendation, 2012](#) (No. 202),
endorsed by the UN and the G20
- The Sustainable Development Goals, particularly SDG 1.3



“Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable”

A Story of More than 100 Years: Building Social Security Systems

Figure 1.1 Towards comprehensive social security systems: Number of areas covered in social protection programmes anchored in national legislation, 1900–2012



Source: [World Social Protection Report 2014-15](#), ILO

ILO Social Protection Strategy

Endorsed by All World Countries, by the G20 and the UN

- **June 2012: Recommendation 202 Concerning National Floors of Social Protection was adopted at the 101st session of the International Labour Conference by world governments, unions and employers.**
- **June 2012: G20 Leaders commit to establishing nationally-defined social protection floors**
- **March 2014: One-UN Social Protection Floors Country Teams**
- **March 2015 and Oct 2016: Strategy endorsed by gov'ts, unions and employers**
- **Sept 2015: SDG 1.3**

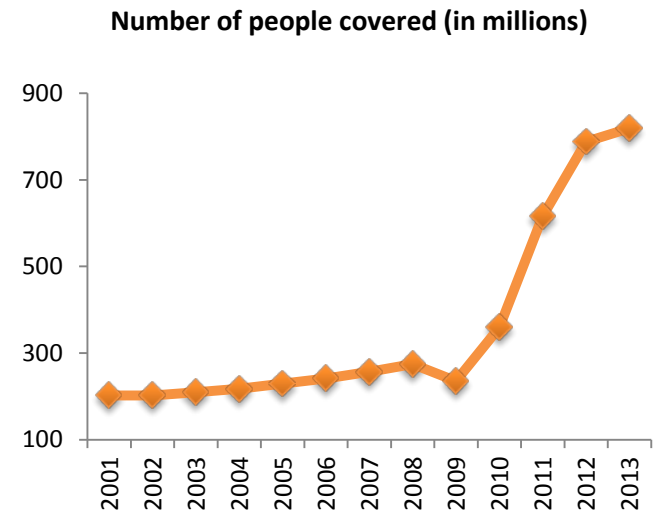


Developing countries rapidly expanding social protection

Many achieved universal social protection schemes:

- Argentina
- Armenia
- Azerbaijan
- Belarus
- Bolivia
- Botswana
- Brazil
- Brunei
- Cabo Verde
- Chile
- China
- Cook Islands
- Georgia
- Guyana
- India
- Kazakhstan
- Kiribati
- Kosovo
- Kyrgyz Republic
- Lesotho
- Maldives
- Mauritius
- Mongolia
- Namibia
- Nepal
- Samoa
- Seychelles
- South Africa
- Swaziland
- Tanzania (Zanzibar)
- Thailand
- Timor-Leste
- Trinidad Tobago
- Ukraine
- Uruguay
- Uzbekistan

Example: China Expansion of old-age pension coverage over 2001-2013



Source: universal.social-protection.org



**...and many
development partners
working together to
promote Universal
Social Protection
Systems**



WORLD BANK GROUP



International
Labour
Organization



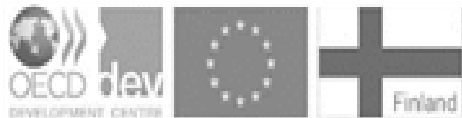
AFRICAN UNION



**EXPERTISE
FRANCE**



Food and Agriculture
Organization of the
United Nations



EU Social Protection Systems Programme



Empowering lives.
Rebuilding nations.



DEUTSCHE ZUSAMMENARBEIT



**Save the
Children.**

See: www.universal.social-protection.org

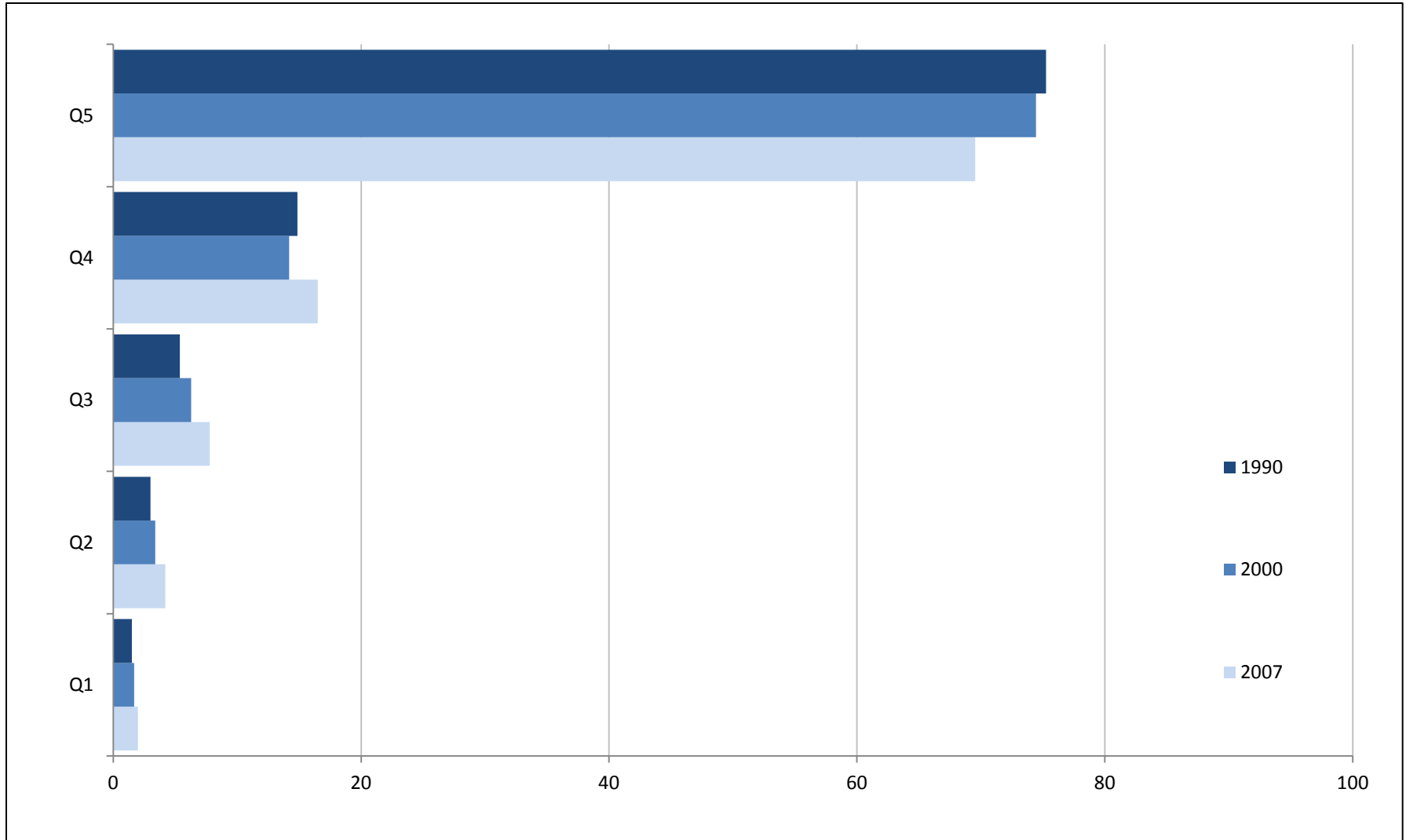
Universal Social Protection across the life-cycle

Recommendation 202 Social Protection Floors



Why? Middle Classes are Low Income in Most Countries

**Global Income Distribution by Countries, 1990-2007 (or latest available)
in PPP constant 2005 international dollars**



Source: Ortiz and Cummins. 2011. *Global Inequality*. UNICEF

Shifting policy paradigm 1980-2015

Since the 2000s, universalism has re-entered the development agenda. First it was education: universal primary education became a Millennium Development Goal in 2000. Then it was health, in 2013, the world committed to universal health coverage. Now it is time for universal social protection.

Washington consensus

- 1980s
- Grow first, distribution later (if at all)
- Deregulation, privatization
- Cuts in public services/ budgets
- **Minimal social safety nets** to cushion the consequences of adjustment policies
- Jobless growth

Pro-poor growth

- 1990s
- Growth first, but with some attention to the poor
- Focus on social protection **targeted to the poor**
- Support for **(conditional) cash transfers**, health and education
- Labor reforms
- Still jobless growth

Inclusive growth and development

- Social protection systems indispensable for growth and development
- **Social contract = for all** (not just the poor, also middle classes that are low income in developing countries)
- **Universal and progressive** approach
- Complementary to employment-generating investments in National Development Strategies

Many paths to Universal Social Protection

Governments have a wide set of options to achieve universal social protection. South-South learning shows:

- Some countries opted for immediate universal coverage – eg. Botswana, Timor Leste.
- Others gradual and progressive approach – eg. Brazil, Thailand.
- Some have universalism embedded in their national constitutions - eg. Bolivia, South Africa.
- Others have achieved universalism without any similar constitutional provisions eg. Swaziland, Uruguay.
- Universal social protection is most commonly started with old-age pensions, but some countries have opted to universalize in parallel disability, maternity and/or child benefits. Eg. Argentina, Nepal.
- Some provide a publicly-financed social pension/benefit to all – eg. Mongolia, Namibia.
- Others provide a minimum pension to those who do not have a contributory pension, ensuring universality - eg. Azerbaijan, China.
- Strategic use of transfers to the poor and vulnerable who are not reached out by other social protection schemes-Brazil, Chile, Georgia, India



How to Build Universal Social Protection Systems/ Floors?

Universal SP is a State responsibility, generally achieved by a mix of contributory and non-contributory schemes

Voluntary Insurance

Mandatory Contributory Social Insurance

**Child
Benefits**

Unemployment Insurance
Maternity **Work injury**
Disability Insurance
Health Insurance

**Old Age
Pension,
Survivors**

Non-contributory/Publicly financed Social Prot. Floors

Child Support

Support for those without jobs
Maternity benefits
Disability benefits
Access to Health

**Old Age
Pension,
Survivors**

Safety nets for the poor

How to Build Social Protection Floors?

Formulating national social security strategies

When formulating and implementing social security extension strategies, Members should (para. 14 of Recommendation 202):

- (a) Start national dialogue: what **objectives** reflect national priorities?

- (b) **identify gaps** in social protection;

- (c) determine **appropriate social protection schemes**, whether **contributory or non-contributory**, or both, as well as the time frame and sequencing for the progressive achievement of the objectives

- (d) **Cost** selected schemes, identify potential **fiscal space**

- (e) Discuss **financial and human resources** with Ministry of Finance

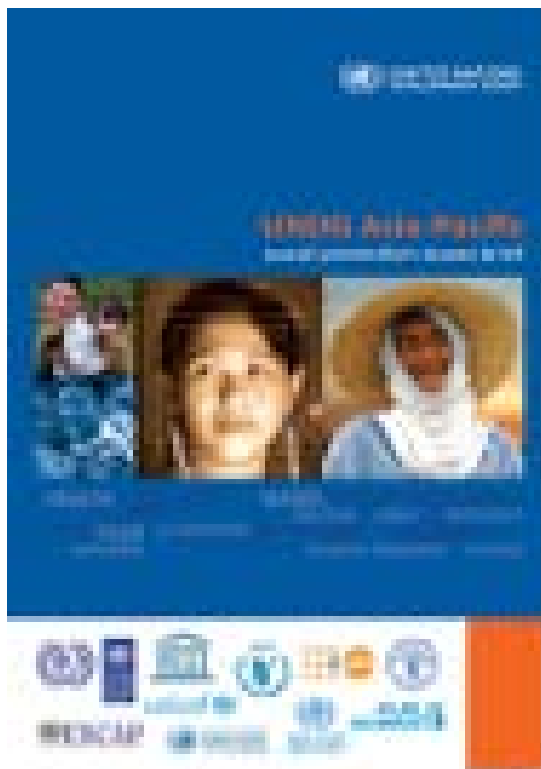
- (f) **Agree national strategy through social dialogue**

SPF Guarantees	Existing	Gaps	Reccomendations
HEALTH			
CHILDREN			
ELDERLY			
WORKING AGE			

One-UN Social Protection Floors

- One-UN national Social Protection Floors Teams working with partners
- Assessment-based national dialogue (ABND)
- Policy advice on social protection needs and gaps, costing of schemes, including financing strategies
- Including Social Protection Floors in National Development Strategies and UNDAFs
- Building up data and national statistical capacities
- [UNDG Chair call 2014](#)
- Building SPFs as One Website: www.un.social-protection.org





Ongoing

1. Egypt
2. Kyrgyz Republic
3. Lao PDR
4. Malawi
5. Mozambique
6. Niger
7. Palestine
8. Philippines
9. Tanzania
10. Timor Leste
11. Tunisia
12. Zambia

Planned

1. Chad
2. Democratic Rep Congo
3. Gabon
4. India (3 states)
5. Indonesia (update)
6. Lesotho
7. Pakistan (KP)
8. Paraguay
9. Sao Tome and Principe
10. Tajikistan
11. Thailand (update)





Social Protection for Children and Families

Child and Family Benefits

183 countries under study (100%)

Child/family benefit scheme (periodic cash benefits) anchored in national legislation

108 countries | **59%**

No child and family benefit scheme anchored in national legislation

75 countries

41 %

CONTRIBUTORY

Employment-related scheme* only

32 countries

18%

Employment-related scheme* and non-contributory universal scheme

1 country

1%

Employment-related scheme* and non-contributory means-tested scheme

17 countries

9%

NON-CONTRIBUTORY

Non-contributory means-tested scheme only

32 countries

18%

Non-contributory universal scheme

26 countries

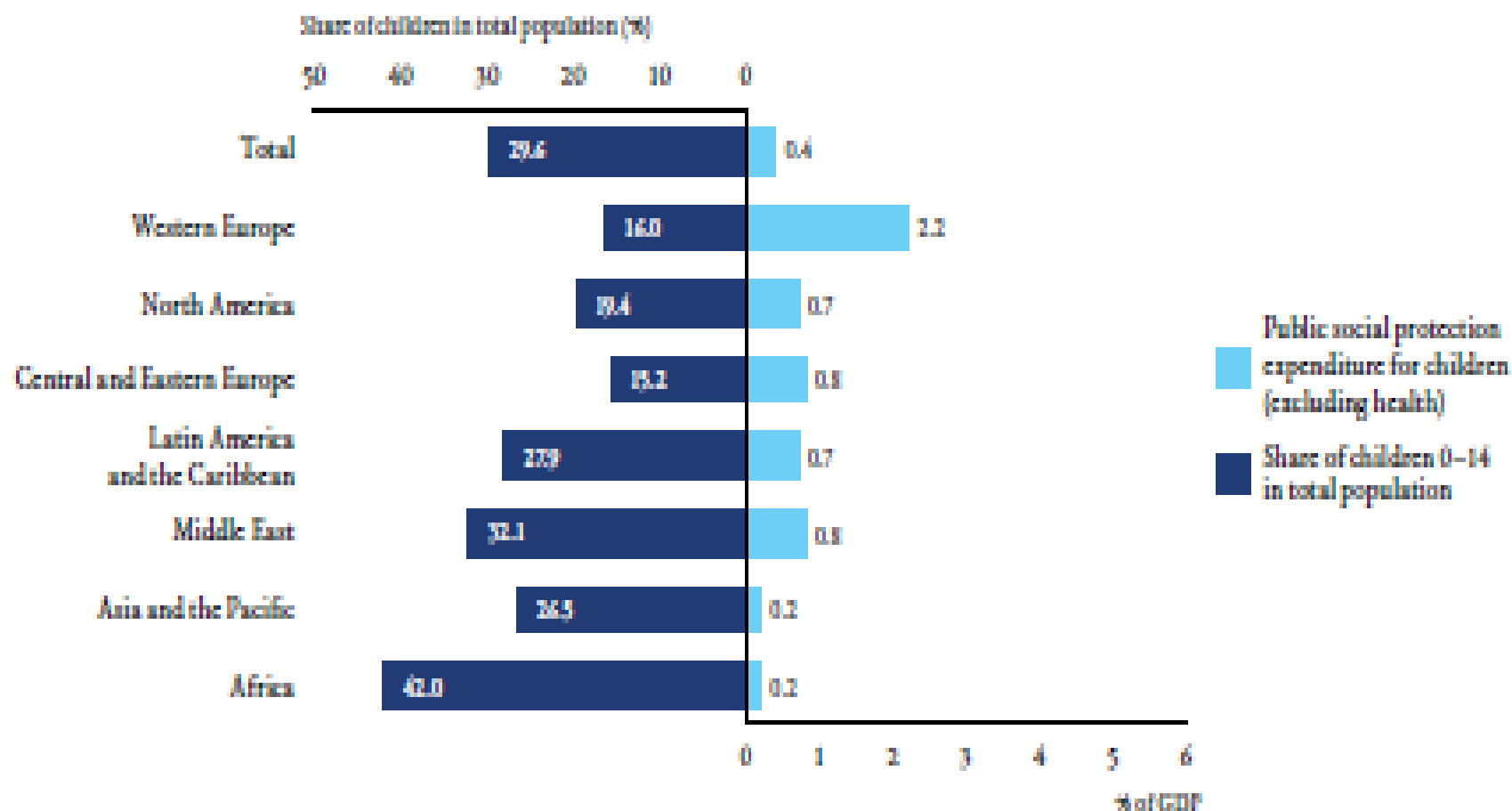
14%

Social assistance (targeting children) but without legal basis (including pilot programmes)

General social assistance programmes (no specific child/family benefits)

Expenditures on Child Benefits

Figure 2.1 Expenditure on child benefits by region, and proportion of children aged 0–14 in total population, 2010/11 (percentage of GDP)



Sources: ILO Social Protection Department database. For detailed sources, see Annex IV, table B.13.

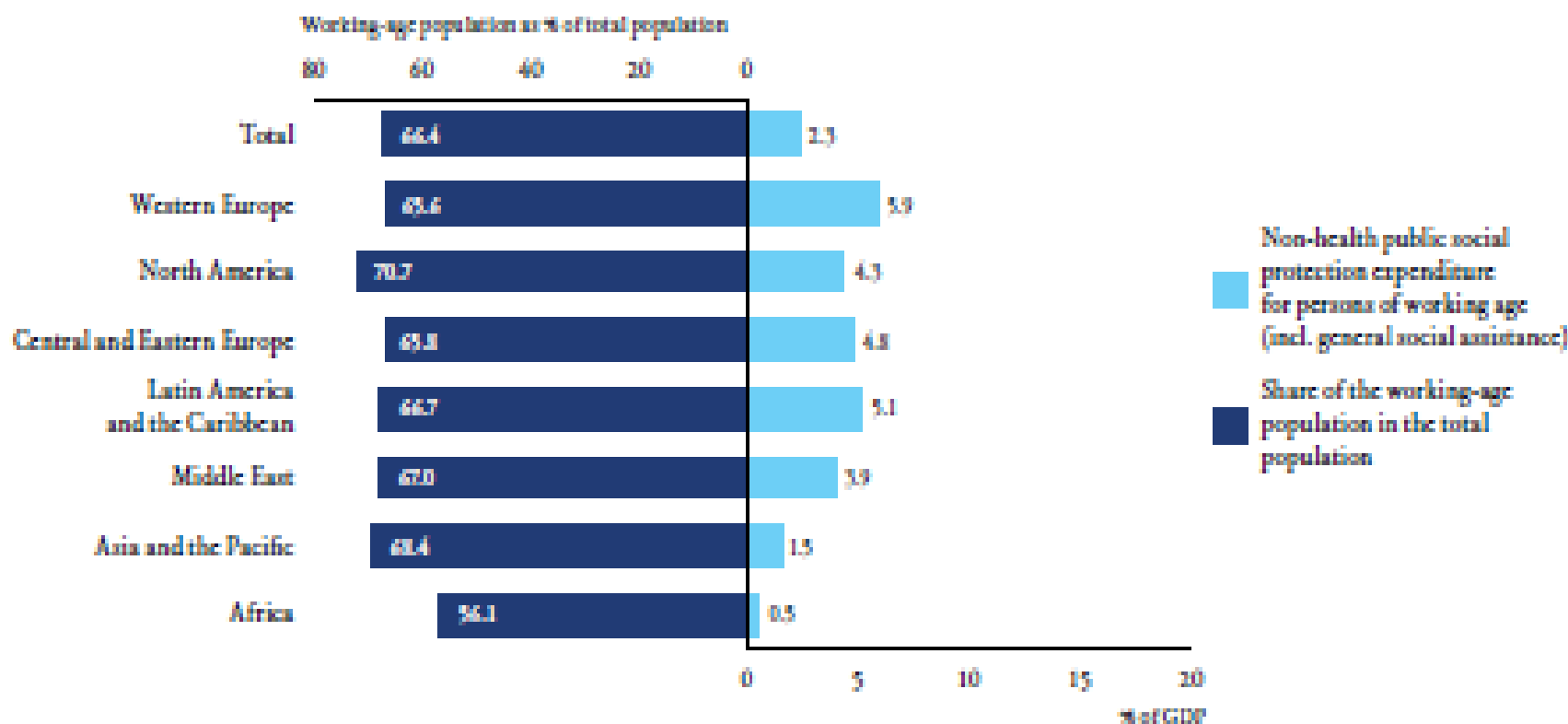
Source: ILO, World Social Protection Report 2014-15



Social Protection for Women and Men in Working Age

Expenditures on Social protection for Working Age: Unemployment, maternity, disability and work injury

Figure 3.1 Non-health public social protection expenditure for people of working age, and share of people of working age (15–64) in the total population, 2010/11



Notes: See Annex IV, table B.13.

Sources: ILO Social Security Inquiry database, see Annex IV, table B.13.

Source: ILO, World Social Protection Report 2014-15

Unemployment Protection Schemes

Information available for 201 countries (100%)

Statutory unemployment scheme

89 countries | **44 %**

No unemployment benefit scheme anchored in national legislation

112 countries | **56 %**

Periodic cash benefits

85 countries | **95 %**

Lump sum

4 countries | **5%**

Severance payment (article in the labour code)

31 countries
28 %

No severance payment or scheme anchored in legislation

81 countries
72 %

Main scheme

- Social insurance (mandatory public)
73 countries (**86%**)
- Subsidized voluntary insurance
3 countries (**4%**)
- Mandatory individual savings account
1 country (**1%**)

Only social assistance or employment guarantee scheme
7 countries (**8%**)

Only mandatory individual savings account (periodic)
1 country (**1%**)

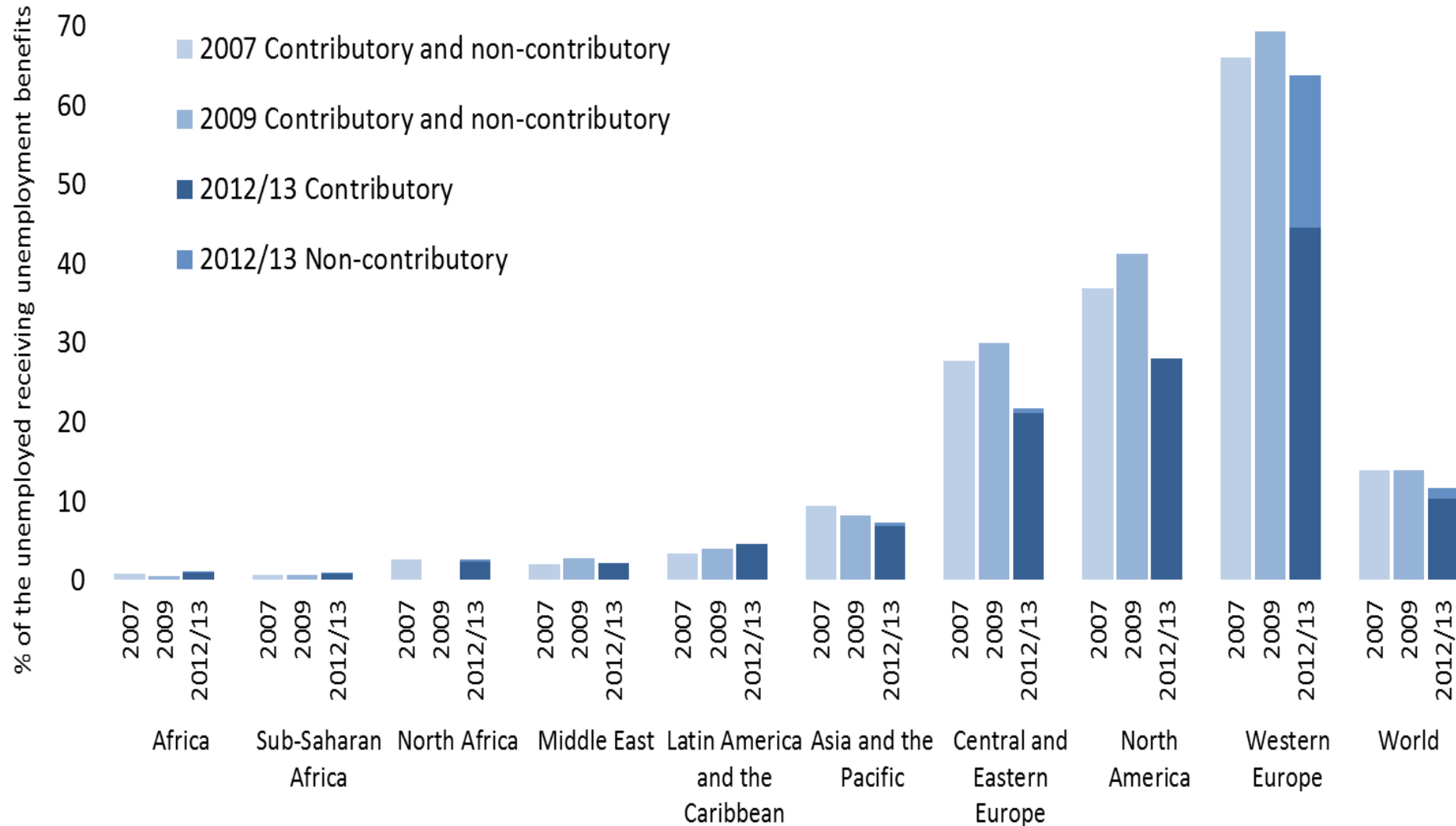
- Individual savings for unemployment (2 countries)
- Provident funds drawing on pensions (2 countries)

Additional scheme

- Additional social assistance programme or employment guarantee scheme
26 countries (13%)

Source: ILO, World Social Protection Report 2014-15

Only 12% of unemployed workers worldwide receive unemployment benefits



Source: ILO, World Social Protection Report 2014-15

Disability Benefit Programs

Information available for 183 countries (100%)

Statutory disability schemes providing periodic cash benefits

168 countries | **92%**

CONTRIBUTORY

Contributory
scheme only

81 countries
44%

Contributory
scheme
and
non-contributory
universal scheme

20 countries
11%

Contributory
scheme
and
non-contributory
means-tested
scheme

54 countries
30%

NON-
CONTRIBUTORY

Non-contributory
means-tested
scheme only

6 countries
3%

Non-contributory
universal scheme
only

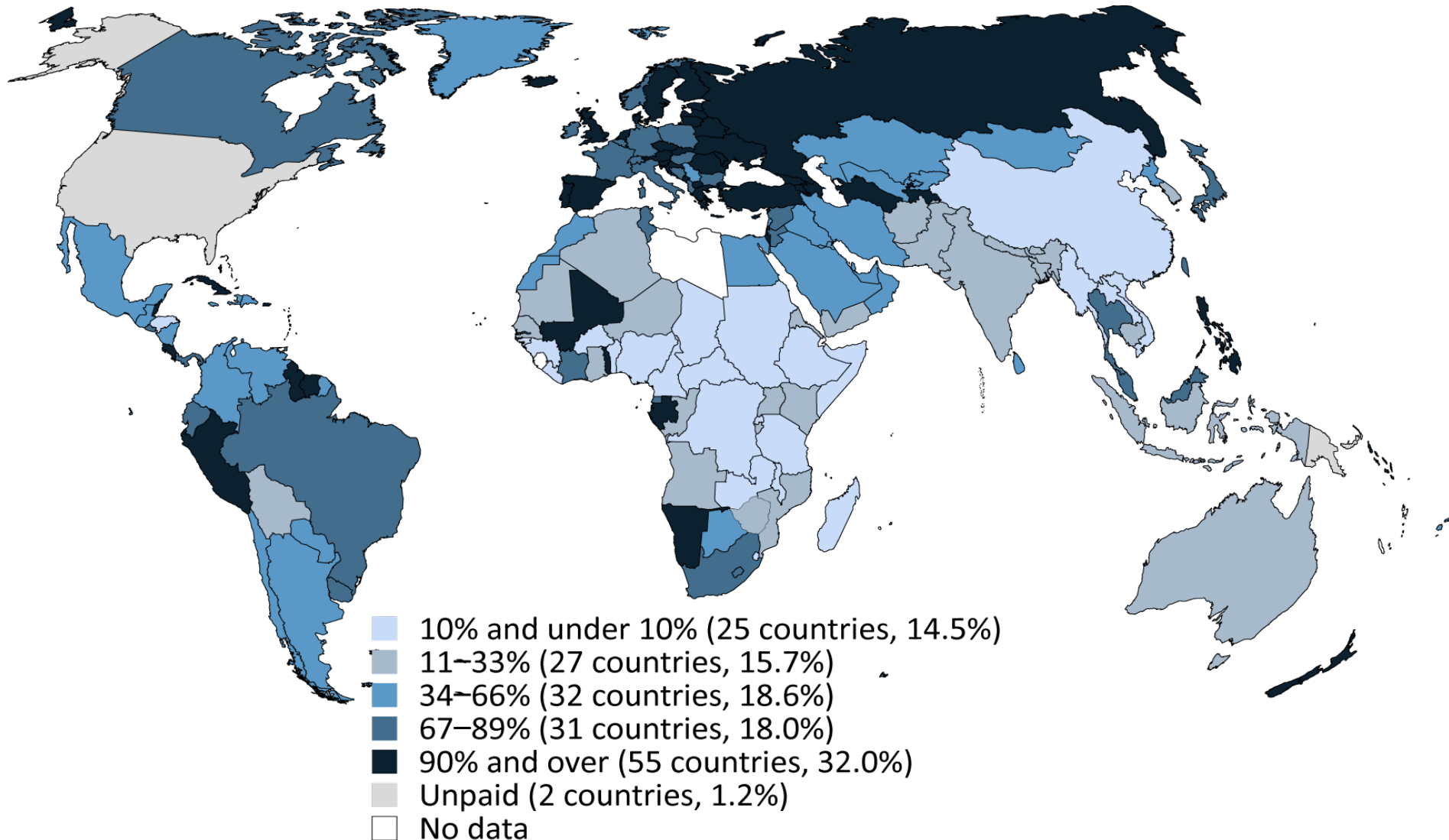
7 countries
4%

No cash periodic
disability benefit
programme
anchored in national
legislation

15 countries
8%

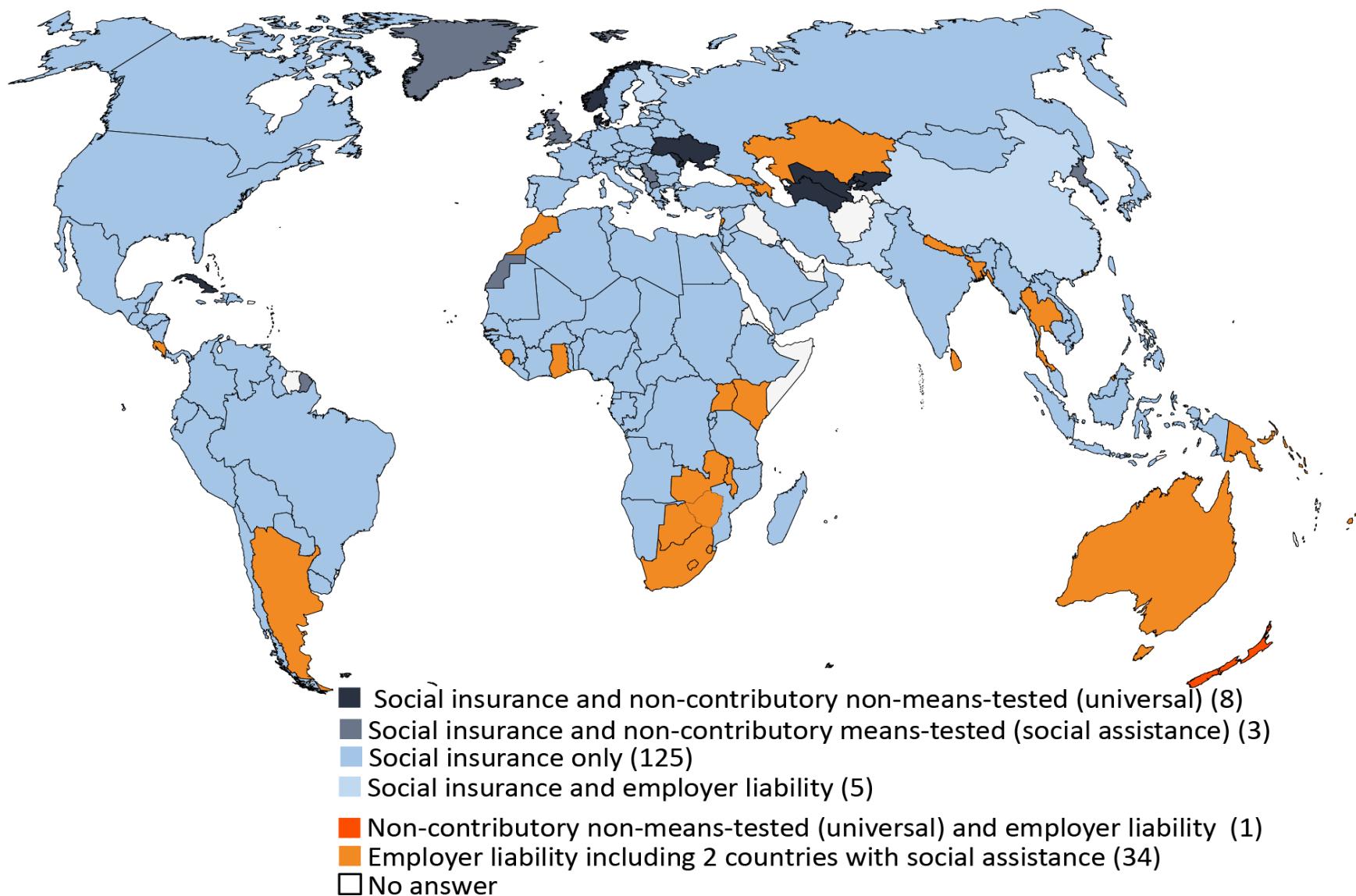
of which
lump-sum benefits
11 countries

Only 28% of women in employment receive maternity cash benefits



Source: ILO, World Social Protection Report 2014-15

Only 33% global labour force has employment injury through mandatory social insurance

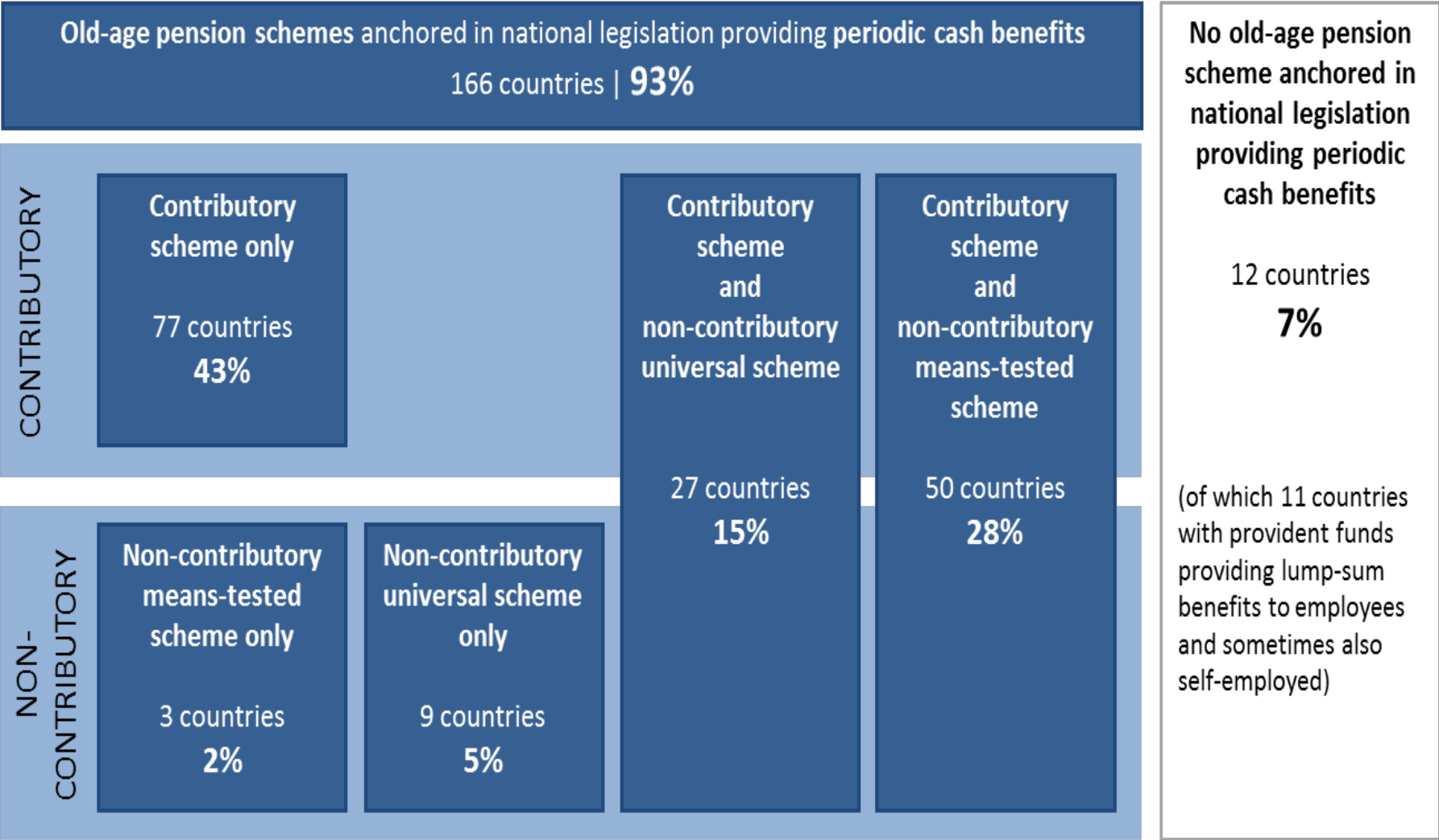




Social Protection for Older Persons

Old Age Pensions

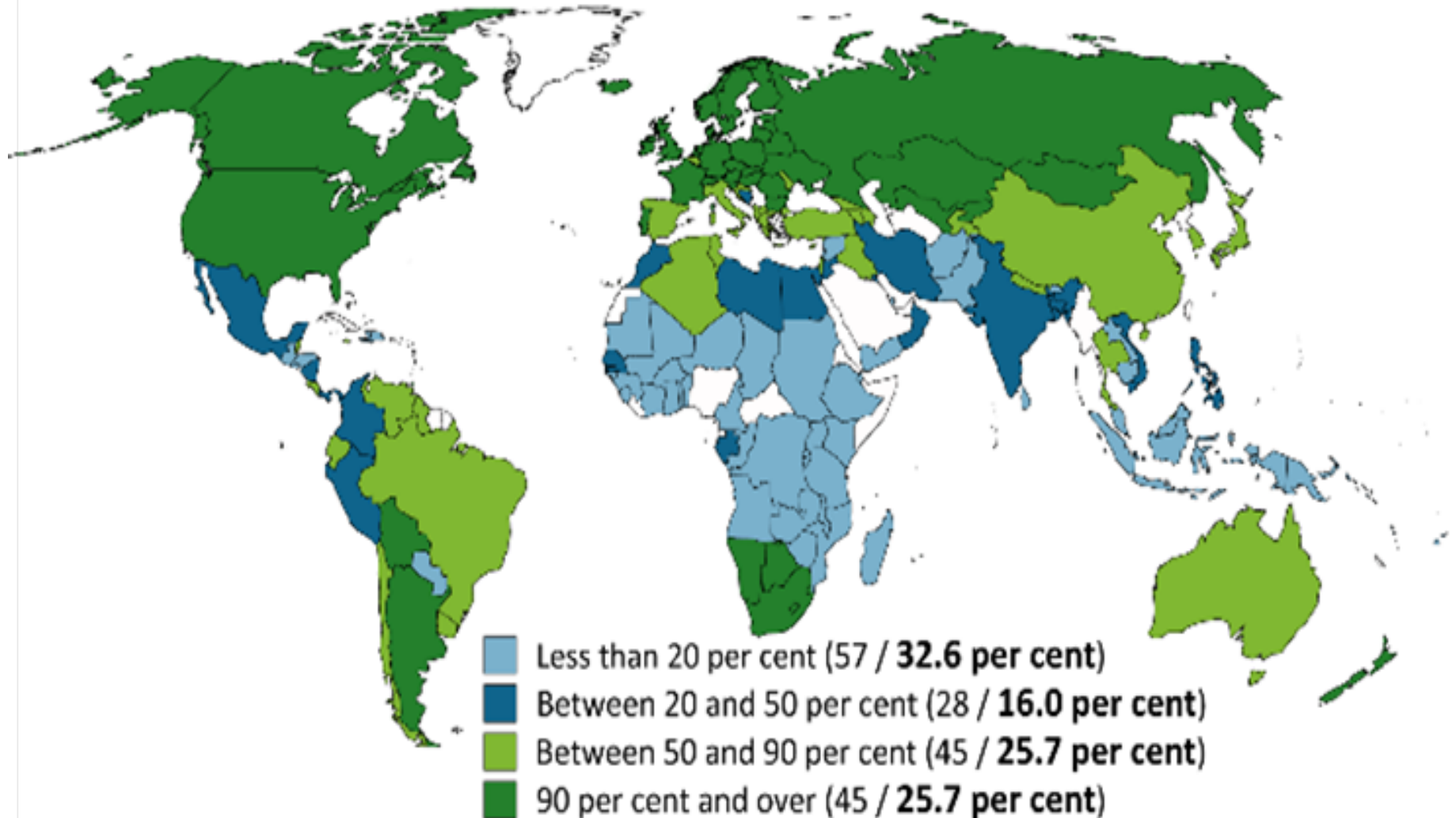
Information available for 178 countries (100%)



Source: ILO, World Social Protection Report 2014-15

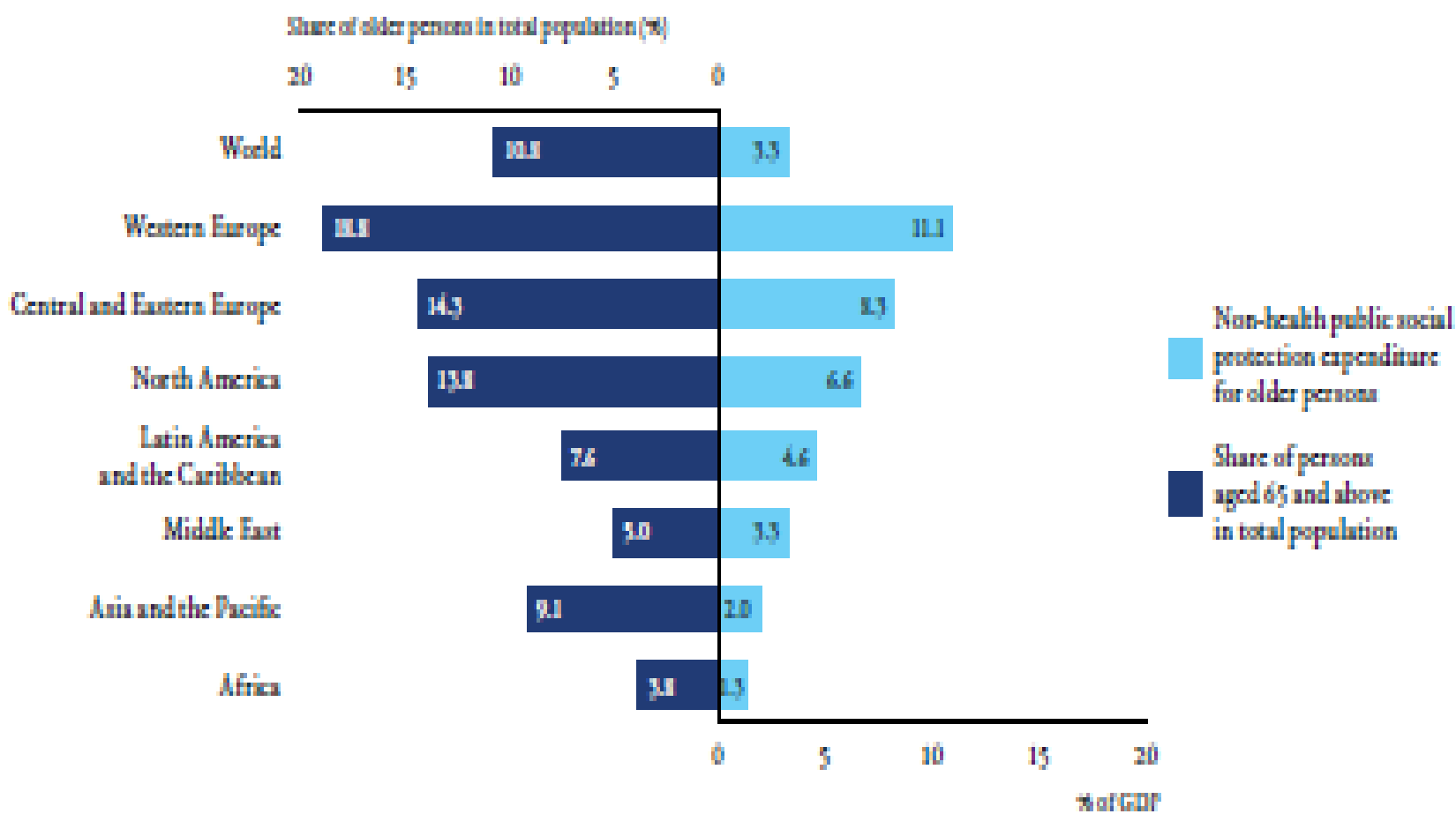
Only 51% Older Persons Receive a Pension

Population above retirement age receiving an old age pension (%) | **2010-2012**



Public Expenditures on Old Age Pensions

Figure 4.4 Non-health public social protection expenditure on pensions and other benefits for older persons, and share of older population (65 and above) in total population (2010/11)



Sources: ILO Social Protection Department database. For detailed sources, see Annex IV, table B.13.

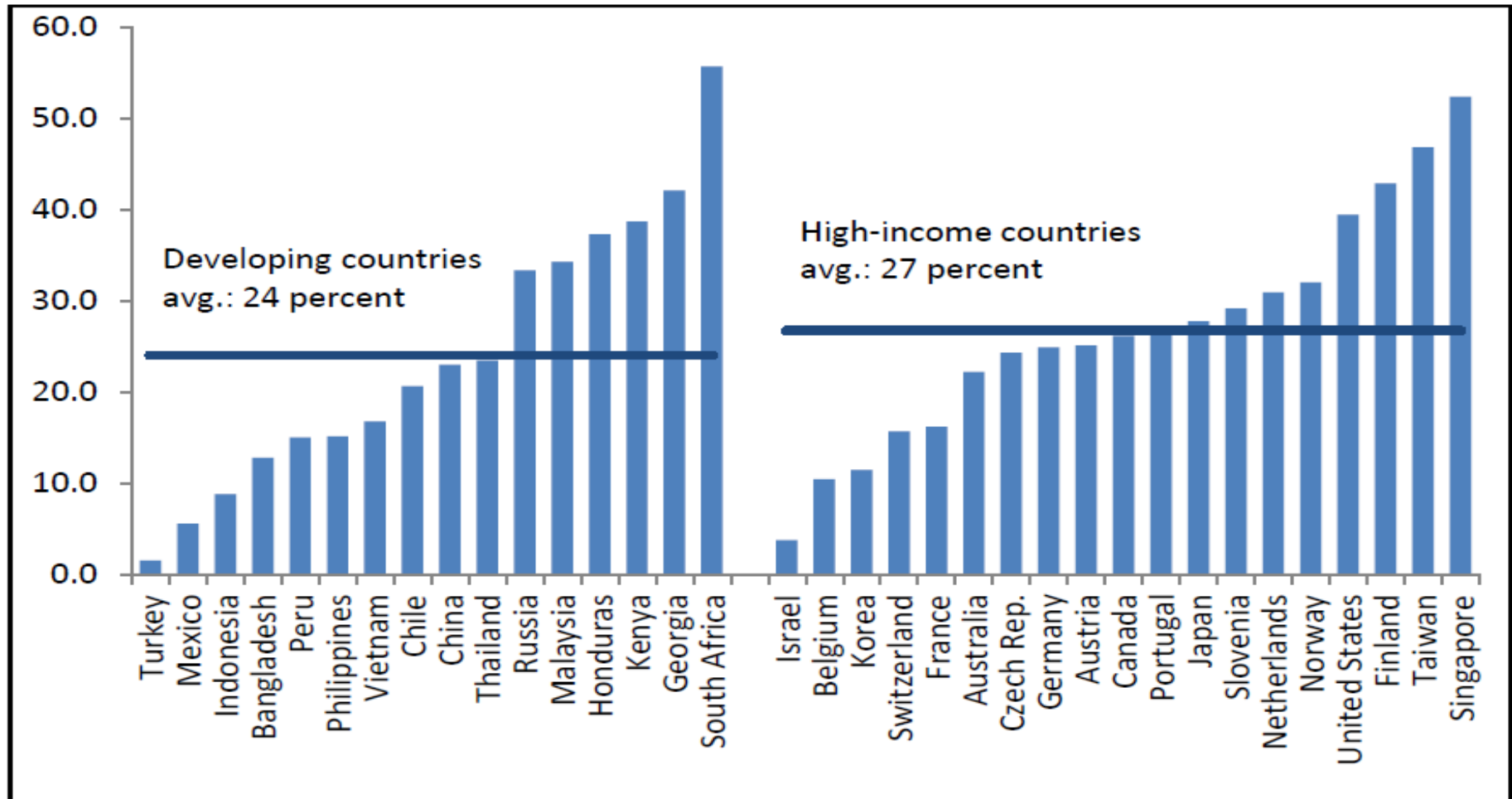


Policy Trends: From Fiscal Consolidation and Adjustment to the Expansion of Social Protection

Crisis Phase I (2008-09) – Fiscal Stimulus Plans

- \$2.4 trillion fiscal stimulus plans in 50 countries

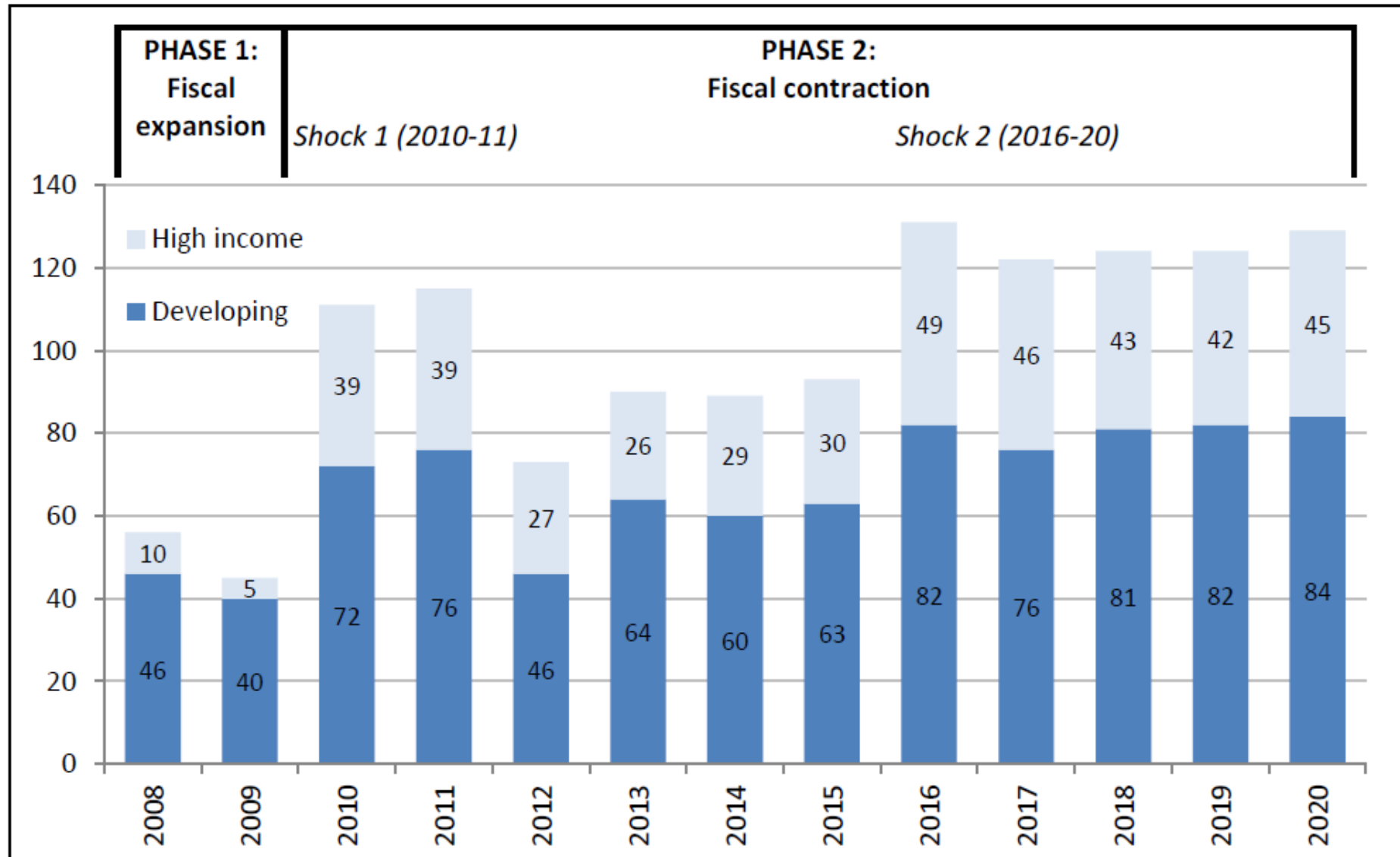
Social Protection in Fiscal Stimulus Plans 2008-09



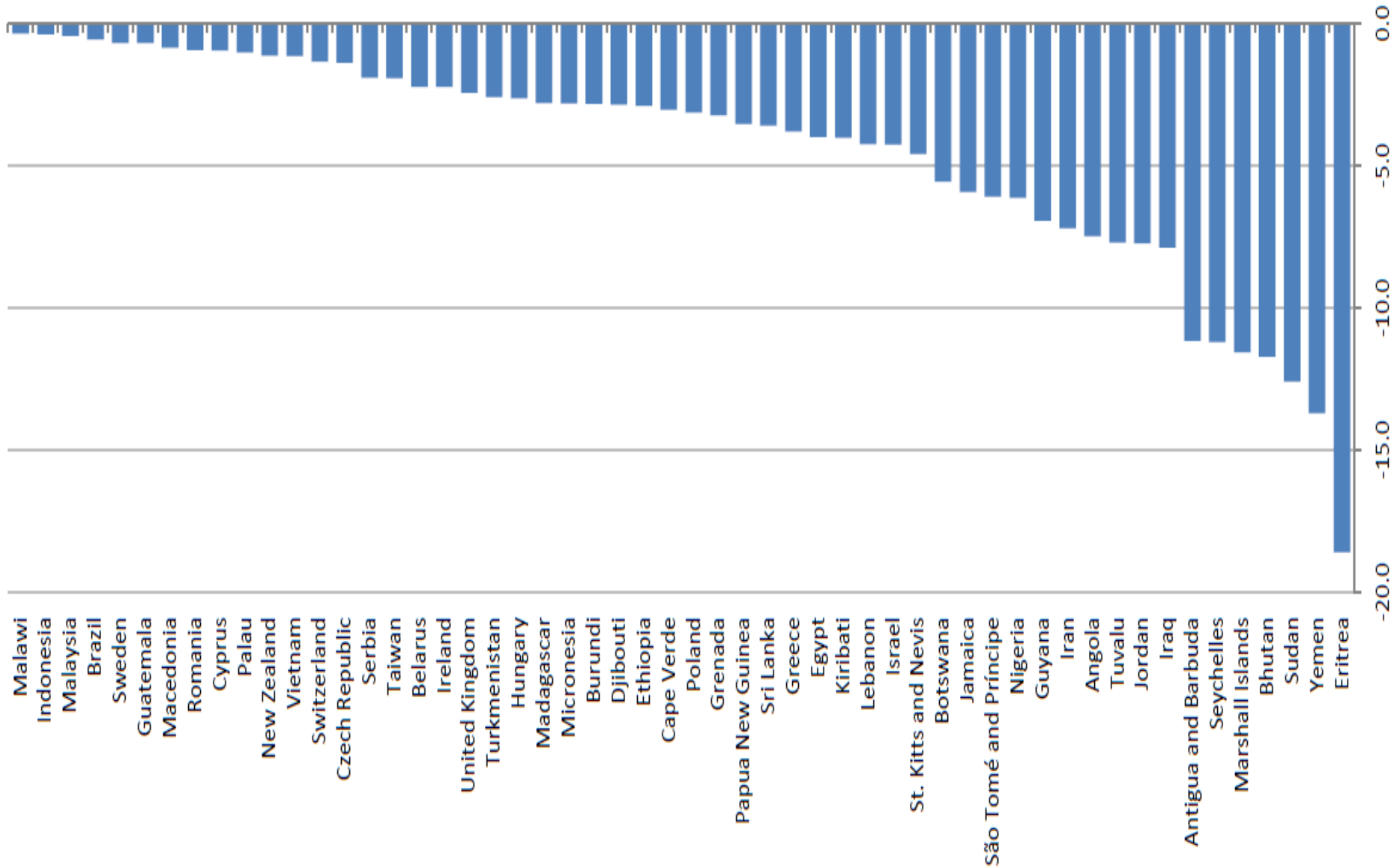
Source: Ortiz and Cummins, *A Recovery for All*, UNICEF, 2012

Crisis Phase II (2010-20) – Fiscal Consolidation

Figure 1: Number of Countries Contracting Public Expenditure as a percentage of GDP, 2008-20



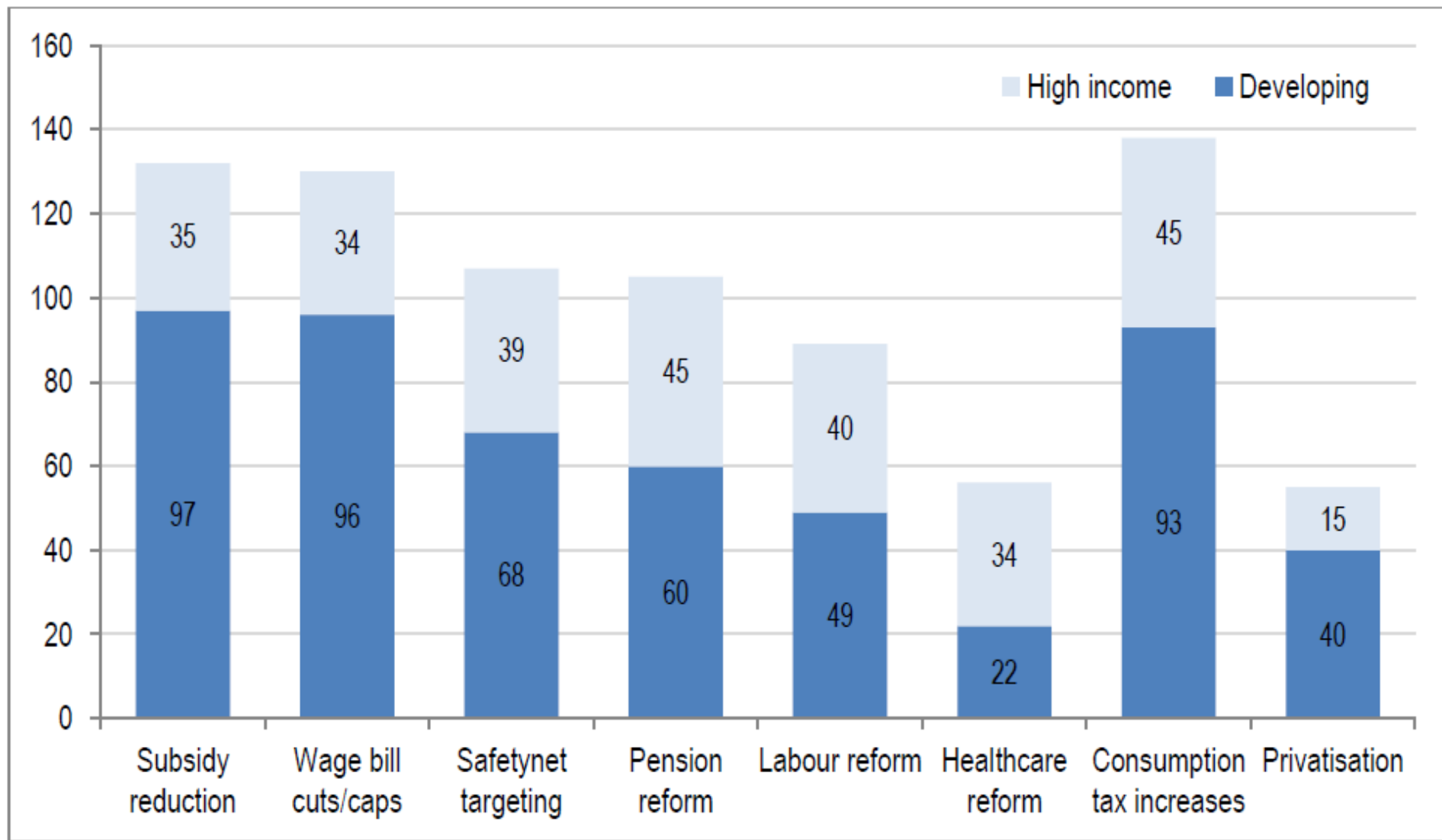
2016-20: 30% of world countries excessive contraction (expenditures below pre-crisis levels)



Adjustment Measures in 183 Countries 2010-15

Figure 6: Incidence of Austerity Measures in 183 Countries, 2010-15

(number of countries)



Source: ILO [The Adjustment Decade](#), ILO/IPC/South Centre, based on 616 IMF Country Reports

Adjustment Measures in 183 Countries 2010-15

Incidence - Percentage of Countries

Region/income	Subsidy reduction	Wage bill cuts/caps	Safety net targeting	Pension reform	Labour reform	Health reform	Consumption tax increases	Privatization
East Asia and Pacific	62	62	24	29	29	10	76	19
Eastern Europe/Central Asia	53	84	58	68	53	32	47	26
Latin America/Caribbean	42	53	37	74	58	11	58	11
Middle East and North Africa	100	75	50	50	75	13	75	13
South Asia	71	71	43	29	29	0	86	29
Sub-Saharan Africa	74	62	24	24	19	14	55	14
Developing countries	65	66	34	42	37	15	61	17
High-income countries	47	51	51	70	72	51	55	23
All countries	59	61	40	51	48	26	59	19

Source: ILO [The Adjustment Decade](#), , ILO/IPC/South Centre, based on 616 IMF Country Reports

Fiscal Consolidation/Adjustment: Negative Social Impacts

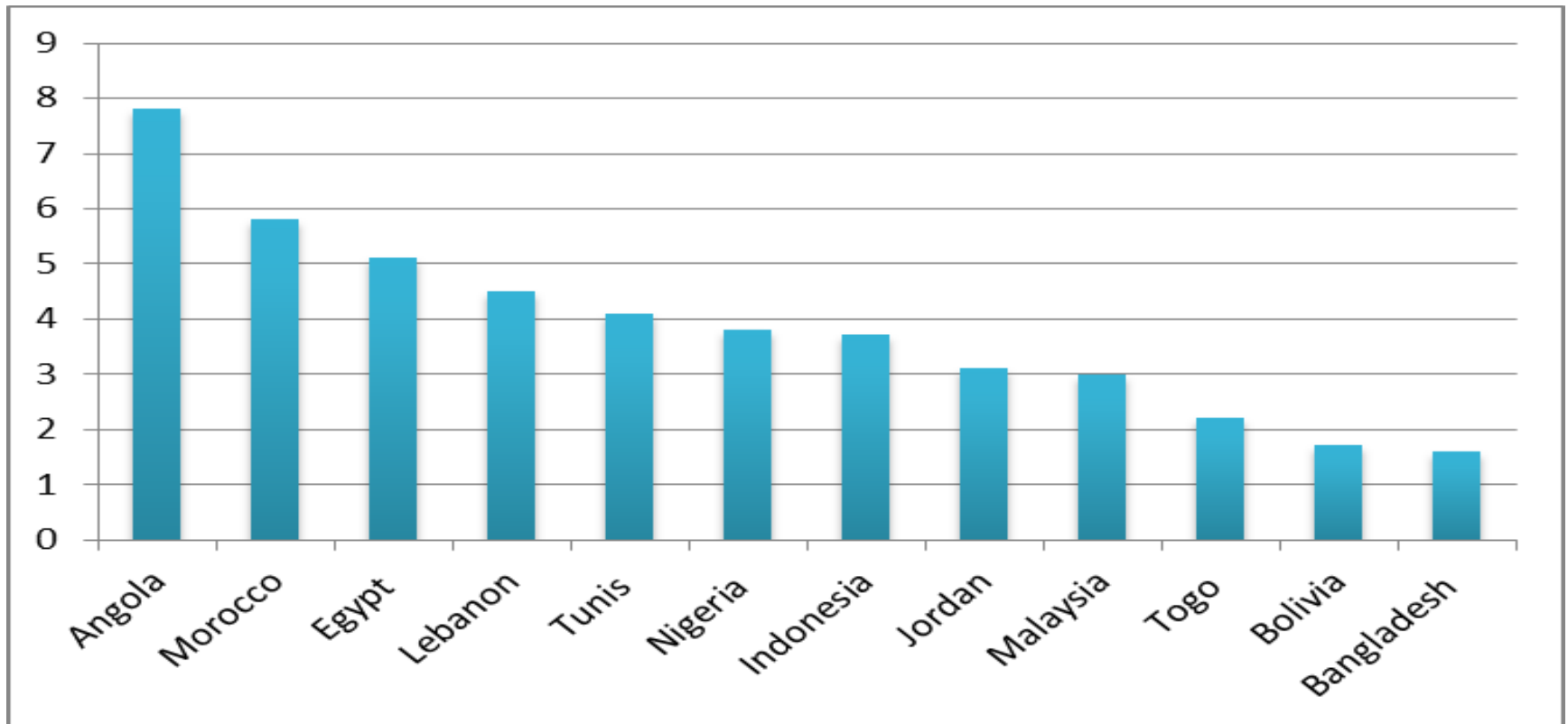
132 countries contracting public expenditures in 2016 (82 developing)

- **Eliminating subsidies** (fuel, food, agriculture) in 132 countries, despite record-high food prices in many regions
- **Wage bill cuts or caps** in 130 countries, reducing or freezing the salaries and number of public-sector workers who provide essential services to the population, including education, health and social workers
- **Rationalizing and narrow-targeting welfare (“safety nets”)** is under consideration in 107 countries, at a time when governments should be scaling up (not scaling down) social protection
- **Reforming pension and health care systems** in 105 and 56 countries by adjusting benefits and entitlements
- **Labour market reforms** in 89 countries
- **VAT increases** on basic goods and services that are consumed by the poor – and which may further contract economic activity – in 138 countries
- **Privatizations** in 55 countries

100 Countries Reducing Universal Food and Fuel Subsidies

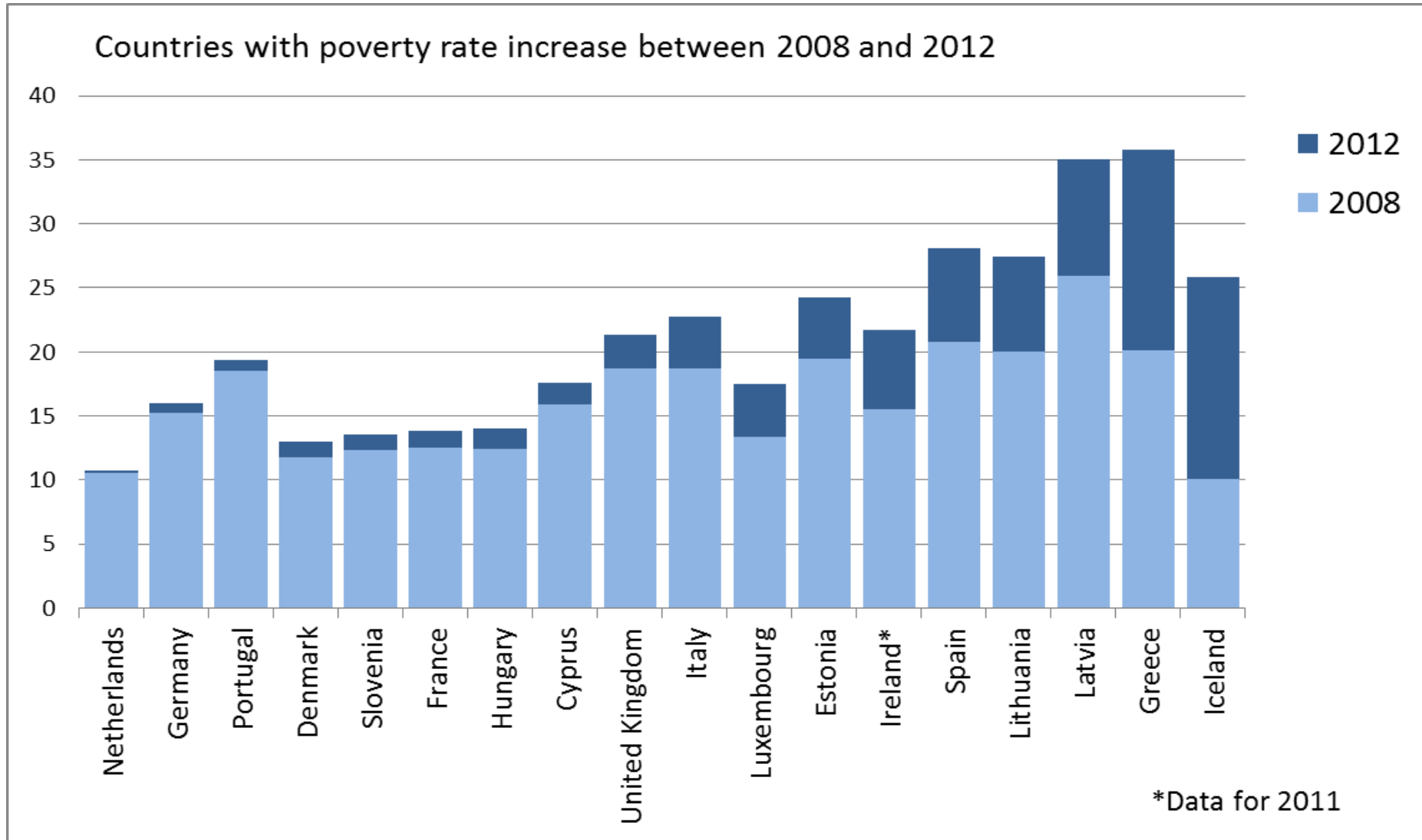
sometimes targeted safety nets to the poor as compensation
-- insufficient, punishing “middle classes”

Fuel Subsidies in %GDP selected countries, 2012 or latest

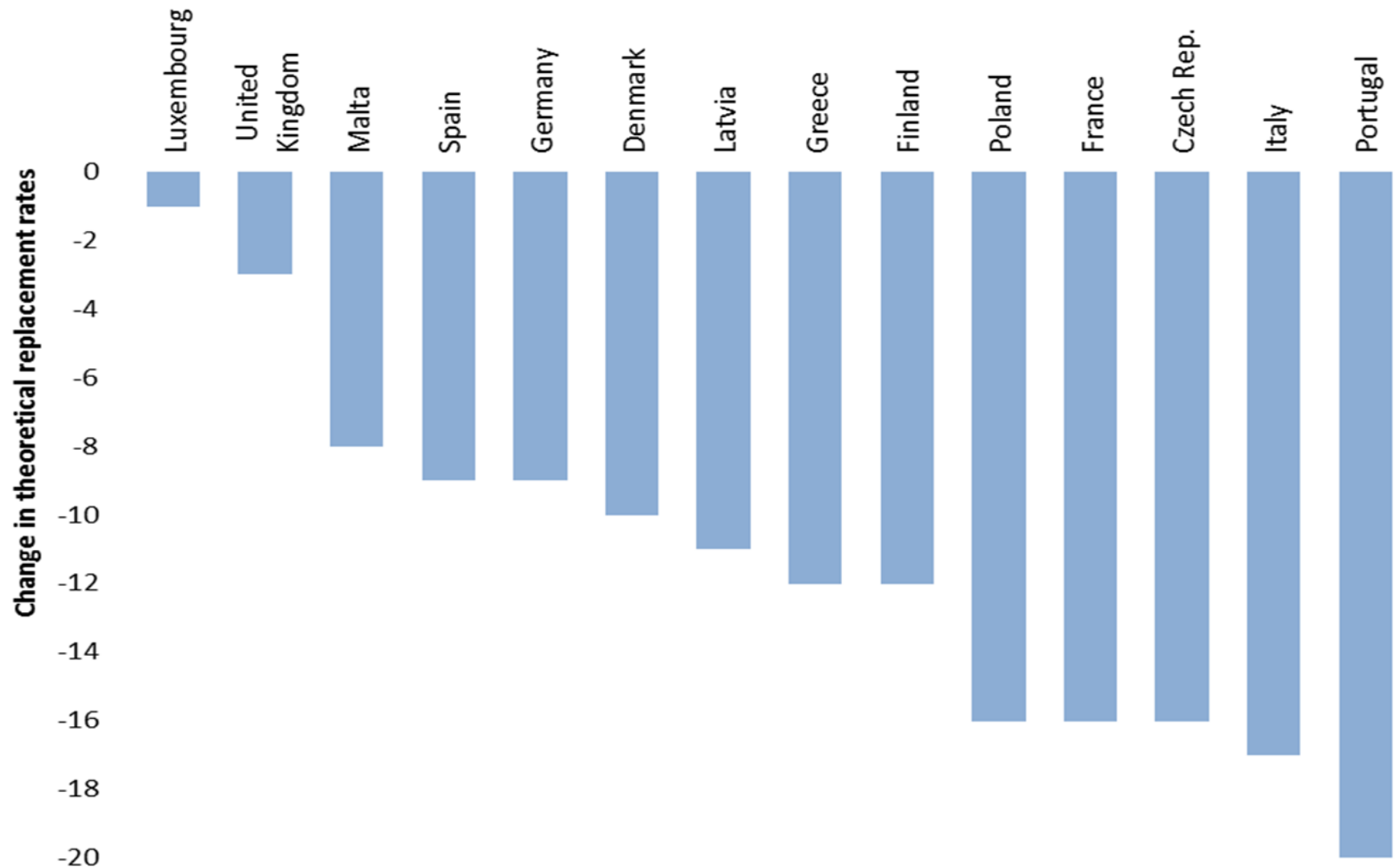


- Higher food and transport costs: Less household income
- Higher energy costs – Negative impact on economic activity, employment, domestic demand

Poverty increasing, affecting 123 million or 24% Europe's population



Fiscal Consolidation: Pensioners in at least 14 EU countries will have lower pensions

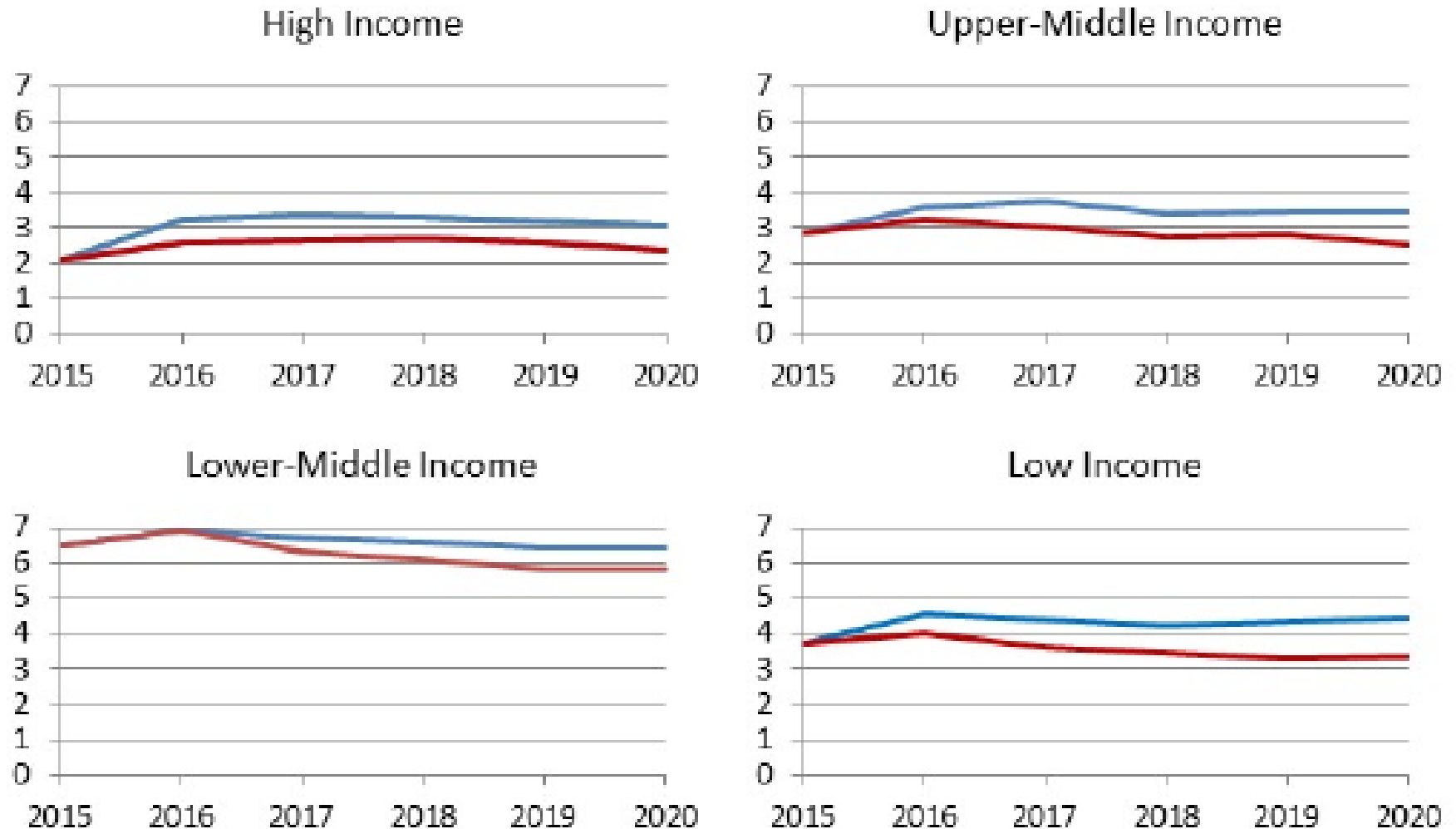


Source: ILO, World Social Protection Report 2014-15

Fiscal Consolidation 2016-20: Negative impacts on Growth...

Figure 8: Annual GDP Growth Rates, baseline (blue) and fiscal adjustment (red)

Income Groups



... and Negative Impacts on Jobs

Impact of Fiscal Adjustment on GDP (%) and Employment (millions) compared to baseline, 2015-2020

All Countries				
	High Income	Upper-Middle Income	Lower-Middle Income	Low Income
GDP	-4.98	-7.62	-2.60	-6.17
Jobs	-4.75	-4.39	-0.14	-2.45
Developing Countries				
	Eastern Europe and Central Asia	Middle East and Northern Africa	South Asia	Sub-Saharan Africa
GDP	-3.73	-3.67	-2.66	-4.92
Jobs	-0.39	-0.71	-1.06	-2.46

Source: ILO The Adjustment Decade, , ILO/IPC/South Centre, based on UN Global Policy Model

Austerity/Adjustment Worsening Recession, Increasing Inequality

- The United Nations has repeatedly warned that austerity is likely to bring the global economy into further recession and increase inequality. It has called on governments for forceful and concerted policy action at the global level to make fiscal policy more countercyclical, more equitable and supportive of job creation; to tackle financial market instability and accelerate regulatory reforms; and to support development goals.
- If governments opt for adjustment, the pace and intensity of fiscal consolidation can be slower, allowing for much needed social –economic investments
- After the first adjustment shock 2010-11, most developing countries chose to increase deficits in 2012-14 in order to attend to pressing demands at a time of low growth
- The crisis has already triggered a policy shift in some regions. Policymakers in Asia are increasingly moving away from unsustainable export-led growth models toward more inclusive employment-intensive recovery strategies that are centered on building internal markets and improving social protection systems.
- Some countries have been launching minor fiscal stimulus plans in 2012-2015 (Brazil, China, Indonesia, Japan, Malaysia, Peru, Singapore, South Korea , Sweden, Vietnam)

Financial crisis

Bailouts of the financial sector

Fiscal stimulus plans

Fiscal deficit
Debt

Less public
revenue

Lower public
investments

Downward
adjustments in
health

Downward
adjustments in
pensions

Downward
adjustments in
social benefits

Increases in
taxes, VAT

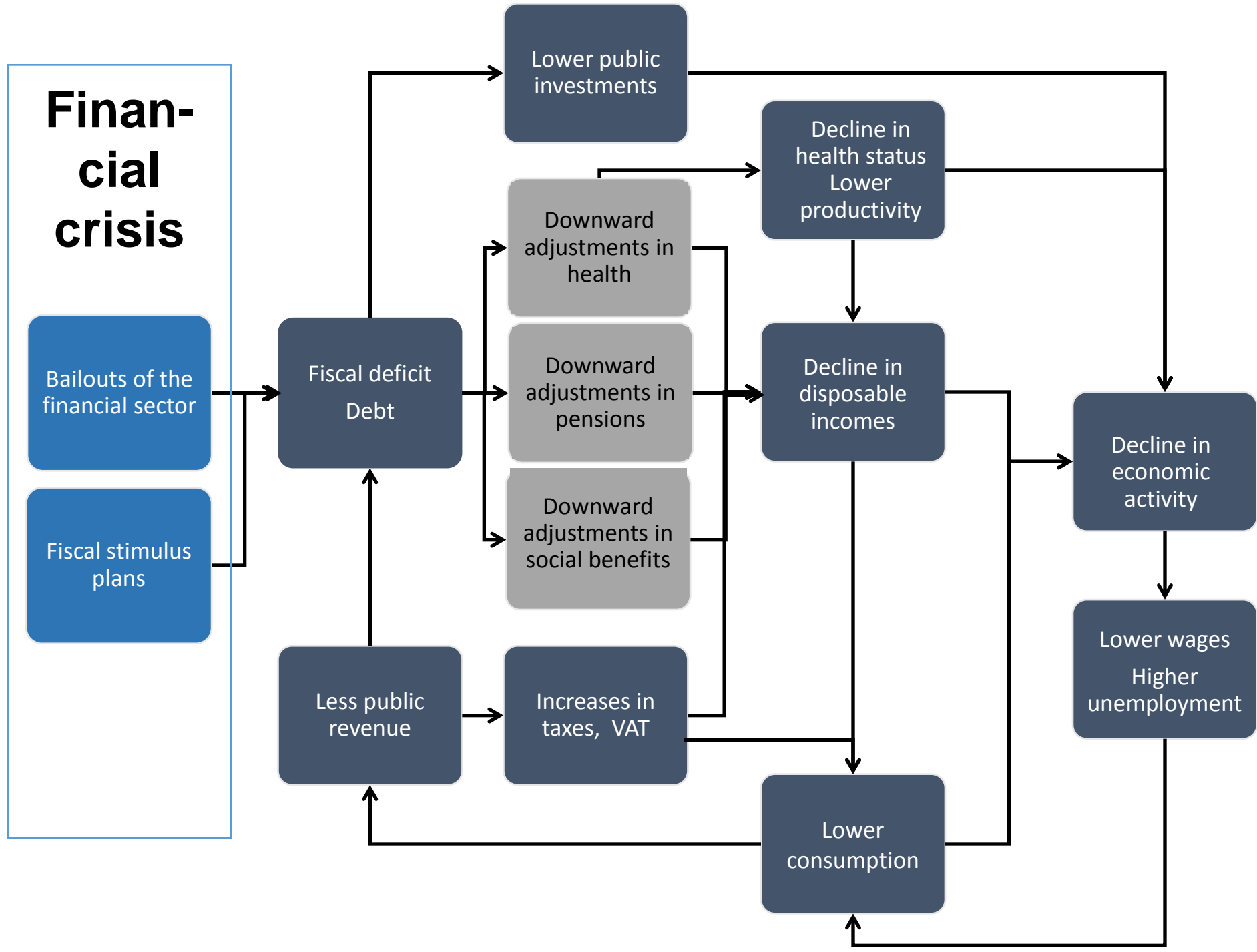
Decline in
health status
Lower
productivity

Decline in
disposable
incomes

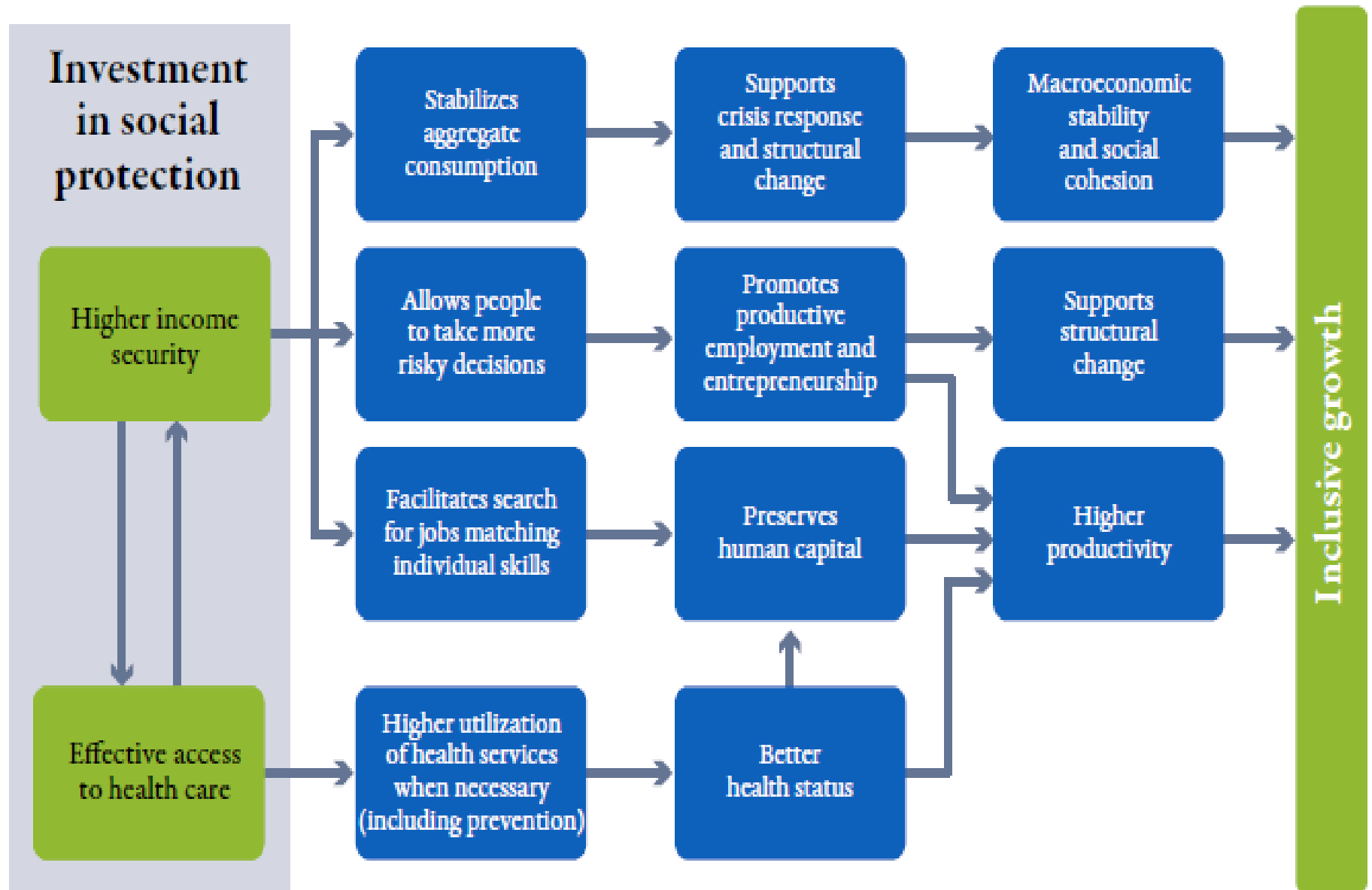
Lower
consumption

Decline in
economic
activity

Lower wages
Higher
unemployment

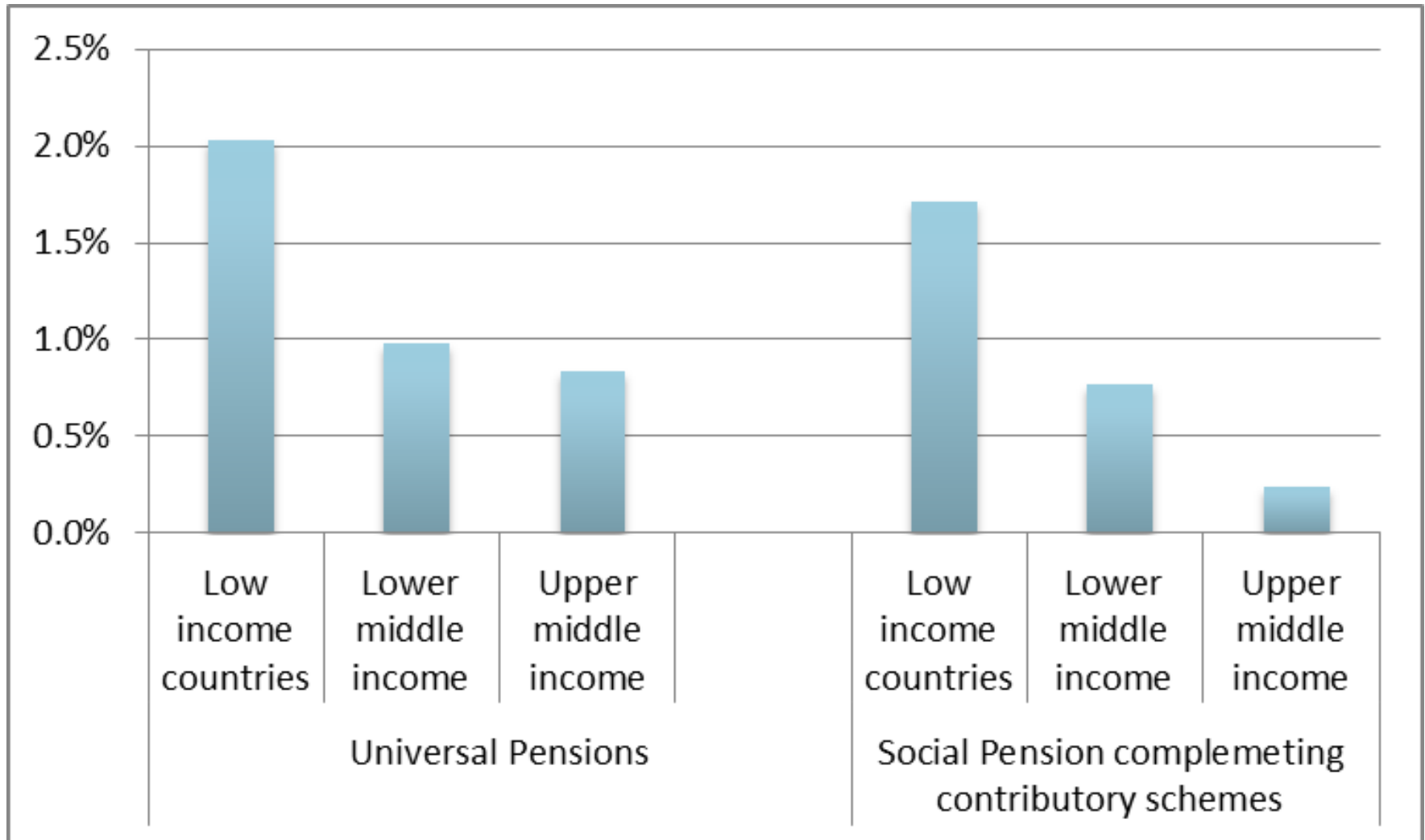


Intead of Adjustment, Investing in People



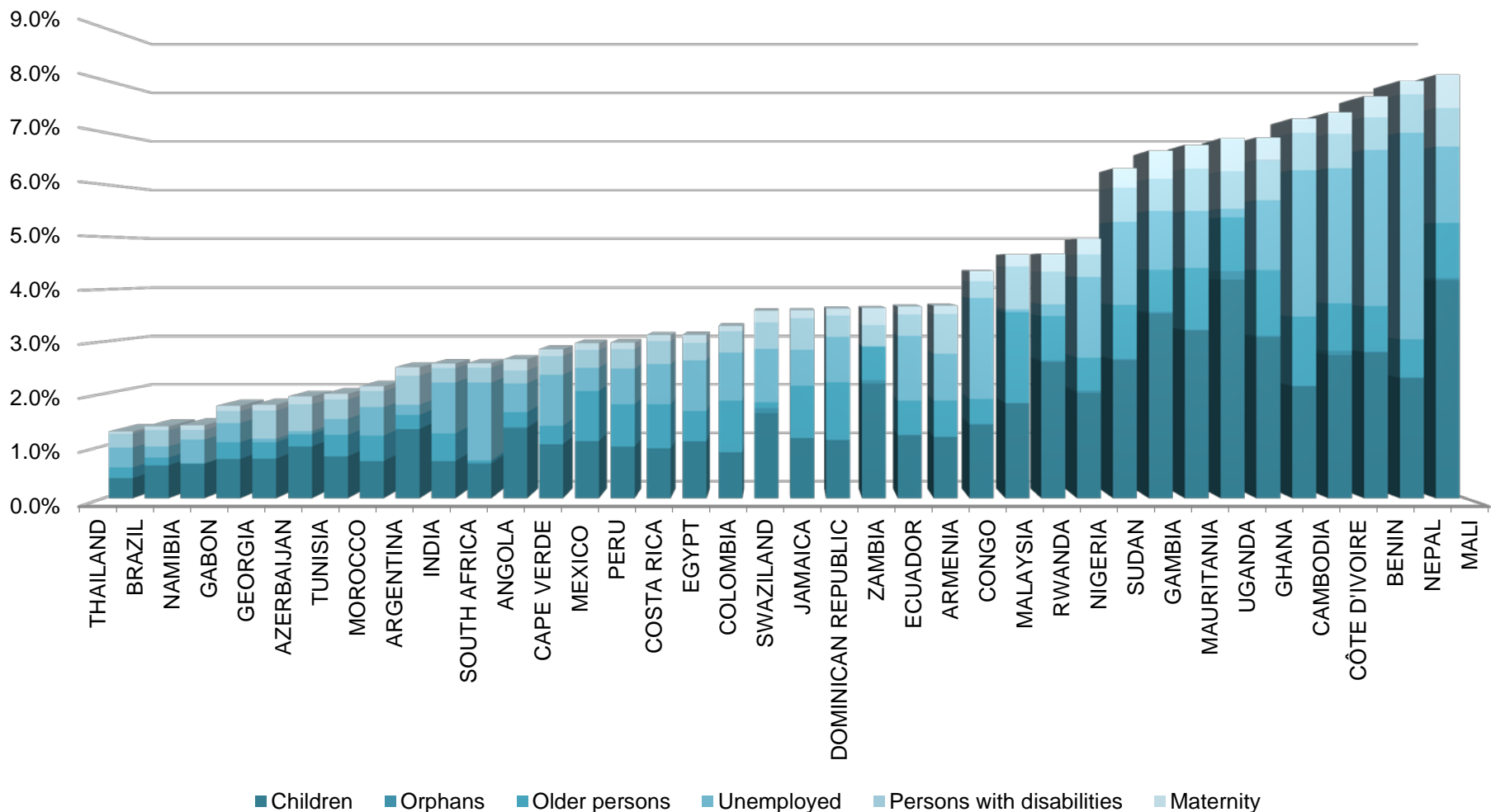
Is Universal Social Protection Affordable in Developing Countries? YES

Cost of universal pension coverage, national poverty line, %GDP



... Lower Income Countries Can Take a Progressive Approach

Cost of all universal schemes of social protection floors in %GDP



The universal social protection floor package has been estimated as follows: (i) a universal child benefit of 20% of a country's national poverty line to all children 0-14 years old; (ii) a benefit of 100% of a country's national poverty line to all orphans, (iii) a universal pension of 100% of a country's national poverty line, excluding those that have contributory pensions; (iv) unemployment support of 100% of a country's poverty line to one person per vulnerable household during 100 days; (v) a benefit of 100% of a country's national poverty line to all persons with severe disabilities and (vi) a maternity benefit during 4 months of 100% of a country's national poverty line to all mothers with newborns. All of these schemes include administrative costs (ILO calculations)

Fiscal Space for Social Protection Floors Exists Even in the Poorest Countries

- **There is national capacity to fund social protection floors in virtually all countries. There are many options, supported by UN and IFIs policy statements:**
 - Re-allocating public expenditures (eg subsidies)
 - Increasing tax revenues
 - Expanding collection of social security contributions
 - Fighting illicit financial flows
 - Lobbying for increased aid and transfers
 - Tapping into fiscal and foreign exchange reserves
 - Managing debt: Borrowing or Restructuring debt
 - Adopting a more accommodative macroeconomic framework (e.g. tolerance to some inflation, fiscal deficit)

Fiscal Space Strategies for Social Protection: Country Examples

Strategy	Pl. State of Bolivia	Botswana	Brazil	Costa Rica	Lesotho	Iceland	Namibia	South Africa	Thailand
Reallocating public expenditures				X	X	X		X	X
Increasing tax revenues	X	X	X		X	X			X
Expanding social security contributions			X	X	X		X	X	X
Reducing debt/debt service	X	X	X	X	X	X		X	X
Curtailing illicit financial flows						X	X		
Increasing aid							X		
Tapping into fiscal reserves	X	X	X						
More accommodating macroeconomic framework	X		X			X			

Source: Ortiz, Cummins, Karunanethy 2015: "[Fiscal Space for Social Protection: Options to Expand Social Investments in 187 Countries](#)" ILO.

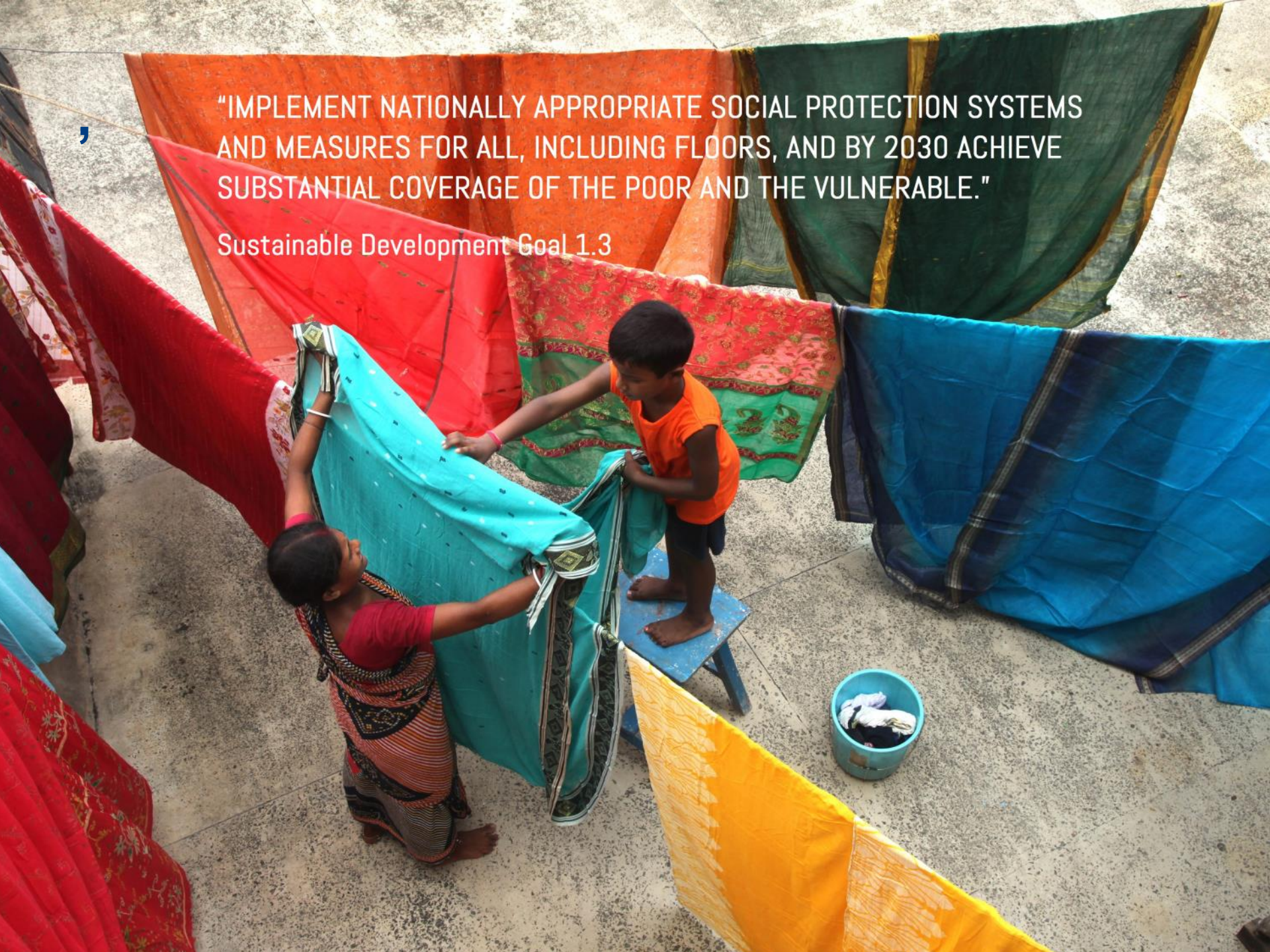
Each Country Has Different Policy Options that Must Be Agreed In National Social Dialogue

- **Decisions affecting people's welfare are often taken behind closed doors, without adequate consideration of their distributional impacts.**
- **Ministers of Finance/Planning should have all possible fiscal scenarios and options, associated social impacts, risks and trade-offs, fully explored.**
- **A set of alternative policy options for inclusive development should be discussed in national social dialogue.**



“IMPLEMENT NATIONALLY APPROPRIATE SOCIAL PROTECTION SYSTEMS AND MEASURES FOR ALL, INCLUDING FLOORS, AND BY 2030 ACHIEVE SUBSTANTIAL COVERAGE OF THE POOR AND THE VULNERABLE.”

Sustainable Development Goal 1.3



References:

- [ILO Recommendation concerning national floors of social protection](#) (Social Protection Floors Recommendation), 2012 (No. 202).
- [World Social Protection Report 2014/15: Building economic recovery, inclusive development and social justice](#) (Geneva: ILO, 2014).
- See also social protection web platform: www.social-protection.org/

Thank you

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<http://www.ilo.org/>