Social protection: A development priority in the post-2015 UN development agenda

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Following on the outcome of the 2010 High-level Plenary Meeting of the General Assembly on the Millennium Development Goals, the United Nations Secretary-General established the UN System Task Team in September 2011 to support UN system-wide preparations for the post-2015 UN development agenda, in consultation with all stakeholders. The Task Team is led by the Department of Economic and Social Affairs and the United Nations Development Programme and brings together senior experts from over 50 UN entities and international organizations to provide system-wide support to the post-2015 consultation process, including analytical input, expertise and outreach.

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### **1. Introduction**

80% of the global population has no access to comprehensive social protection. Social protection programmes tackle multiple dimensions of poverty and deprivation (decent work, education, health care, food security, income security) and can therefore be a powerful tool in the battle against poverty and inequality. Social protection can play a fundamental role in creating more inclusive and sustainable development pathways. In the absence of social protection, people, especially the most vulnerable, are subjected to increased risks of sinking below the poverty line or remaining trapped in poverty for generations.

Social protection is an important instrument for the pursuit of at least six of the eight present MDGs by ensuring universal access to key essential services in quality basic and maternal health care, education, nutrition and environmental health. However, the importance of social protection for equitable progress as mapped out by the MDGs has been recognized in full only recently. Indeed, advantage in access to decent work and social security has been an important reason why better-off nations and population groups achieved stronger progress between 1990 and 2005 than did countries and people with weak access to equitable growth and social protection.

The post-2015 UN development agenda requires a new approach to international and national development, taking the multiple interlinked global challenges that exist even more into account. It is therefore of paramount importance that, in view of the multiple roles that social protection can play in social and economic development, the post-2015 UN development agenda will acknowledge the critical role extending adequate social protection plays in furthering key outcomes, ensuring the inclusion of all groups in development and society as a means to combat inequality, vulnerability and poverty. The post-2015 debate needs a renewed and comprehensive focus on poverty, inequality, income distribution and social inclusion. Fiscally sustainable social protection schemes based on strong legal and

regulatory frameworks should be an integral component of national development strategies to achieve inclusive, equitable sustainable development.

The objective of this document is to underpin this argument, while proposing concrete post-2015 goals related to social protection and associated indicators that allow measuring progress.

### 2. Challenge and policy context

Wherever social protection systems with wide population coverage and adequate and affordable benefit levels are in place, they have been effective in reducing poverty and inequality as well as promoting economic and social development at large. Successes in expanding social protection in an increasing number of middle and low income countries, as well as evidence from multiple quantitative analyses in other developing countries,<sup>1</sup> have shown that basic levels of social protection are affordable. Consequentially they are increasingly being perceived as tangible social policy instruments that can achieve social and economic outcomes, inter alia through income redistribution mechanisms and transfers and behavioral incentives that facilitate labour market adjustments. During the present financial and economic crisis social protection systems have shown their potential to strengthen households' capacity to cope, as well as mitigate against the social and economic fallout of the crises.

Consequently, social protection has experienced a renaissance in the global development policy discourse. Prominent evidence is provided by the Social Protection Floor Initiative, which was launched by the United Nations system Chief Executives Board for Coordination in 2009 and endorsed by the UN General Assembly during its MDG Summit of September 2010. It supports countries in their efforts to provide access to essential social services and social transfers. National social protection floors will help to prevent and reduce poverty and social exclusion, and will contribute to the social, economic and environmental dimensions of sustainable development. The important role of social protection, in

<sup>1</sup> International Labour Organization, Can low-income countries afford basic social security? (Geneva, 2008), available at: http://www.ilo.org/public/libdoc/ilo/2008/108B09\_73\_engl.pdf

particular the role of national social protection floors, in national social and economic development has over the last few years been recognized by a number of further international bodies and fora, such as OECD DAC, ECOSOC, the EU, the G20 Labour and Employment Ministers' Meeting and Summit in November 2011, and lately the UN Commission for Social Development resolution adopted in February 2012. In summer 2011 the tripartite constituents of the ILO have chosen the symbolic opportunity of the 100th Session of the International Labor Conference to reconfirm the role of social security as a human right and a social and economic necessity for countries at all levels of development. Consequently, a new a new international standard on national social protection floors will be discussed in the 101st Labour Conference in June 2012. At the same time several major international agencies, such as the EC, the World Bank, the World Food Programme and UNICEF are launching or just have launched new social protection strategies.<sup>2</sup>

And yet, a fundamental global policy challenge remains. Nearly 80 per cent of the global population presently has no access to comprehensive social protection that enables people to cope with life risks. This is a challenge that the international community must address when defining the global post-2015 development agenda.

## 2. The Role of social protection in inclusive development

The post-2015 agenda faces the challenge of adopting a new approach to international and national development, one that addresses the multiple interlinked global challenges of poverty eradication, environmental sustainability, economic equity, gender equality, climate change, resilience, equitable distribution of resources, human rights and inequality. It will be critical to building resilience and to mitigating the impact of shocks not just on the poor, but on societies as a whole, and to secure recent gains in poverty reduction and political stability achieved in many developing nations.

<sup>2</sup> World Bank, Resilience, Equity, and Opportunity, The World Bank's Social Protection and Labour strategy 2012-2022 (Washington D.C., 2012); United Nations Children's Fund, Social Protection Strategic framework (New York, 2012); and World Food Programme, Update of WFPs' Safety Nets Policy (Rome, 2012)

We have learned that international goals defined on the basis of national aggregated data will not automatically include equitable solutions for all. Equality and solidarity, core values and objectives in the Millennium Declaration,<sup>3</sup> did not receive sufficient emphasis in the MDG agenda. Measured progress towards the MDGs has often not brought about a narrowing of the welfare differences within countries, and is often concealing widening social inequalities. However, closing the gap between rich and poor, excluded and included, is a key challenge for countries as a starting point for development. High inequality jeopardizes the social cohesion and stability of societies; it hampers economic growth and creates a large cost for governments to ensure a minimum level of security. Income inequality, as measured by the Gini coefficient, has worsened in many countries over the past 30 years, especially in many emerging economies, even though average per capita incomes have risen steadily.

Social protection programmes can be a powerful tool in the battle against poverty and inequality as they can tackle multiple dimensions of poverty and exclusion. Social protection should ensure that all people have access to essential goods and services, removing social and economic barriers to access, and therefore is an important means to foster equality and social solidarity in a society. Social protection can play a fundamental role in creating more inclusive and sustainable development pathways by liberating people from the fear of poverty and privations and by helping to break the inter-generational cycle of poverty. Social protection is an essential investment that contributes to economic growth and makes growth more pro-poor while directly reducing poverty. It not only tackles income poverty but also provides an effective, tangible and direct conduit to maximize human development objectives, including better nutrition, health and education outcomes. Only if people have access to educational opportunity, quality and affordable health care, adequate and nutritious food, secure shelter and basic income security, they will be able to become or remain productive members of the workforce, or remain dignified members of a society that are not dependent on accidental charitable support even if no longer active in

<sup>3</sup> General Assembly Resolution A/res/55/2, United Nations Millennium Declaration (New York, 2000), para. 6 Equality. No individual and no nation must be denied the opportunity to benefit from development. The equal rights and opportunities of women and men must be assured.

Solidarity. Global challenges must be managed in a way that distributes the costs and burdens fairly in accordance with basic principles of equity and social justice.

the labour market, - and only then will societies be able to sustainably reduce poverty, inequality and to ensure social peace and inclusive development.

At its 100th Session, the International Labour Conference has adopted a Resolution on social security - a critical component within a broader set of social protection instruments - which reconfirms the role of social security as a human right and a social and economic necessity for countries at all levels of development:

#### "(a) Social security is a human right.

Everyone as a member of society has a right to social security as stated in the Universal Declaration of Human Rights, Article 22.

#### (b) Social security is a social necessity.

Effective national social security systems are powerful tools to provide income security, to prevent and reduce poverty and inequality, and promote social inclusion and dignity. They are an important investment in the well-being of workers and the population at large, notably by enhancing access to health care, and providing income security thereby facilitating access to education and reducing child labour and in particular eliminating its worst forms

#### (c) Social security is an economic necessity.

Full, productive and decent employment is the most important source of income security. Sustainable growth requires good health, nutrition and education, which can foster transitions from low productivity and subsistence level activities to highly productive decent jobs and from the informal to the formal economy. Social security, well designed and linked to other policies, enhances productivity, employability and supports economic development. As an effective automatic stabilizer in times of crisis, social security contributes to mitigating the economic and social impact of economic downturns, to enhancing resilience, and achieving faster recovery towards inclusive growth."

## **3.** The Social Protection Floor as a first step towards comprehensive social protection

The Social Protection Floor Initiative (SPF-I) that was launched by the United Nations system Chief Executives Board for Coordination in April 2009, recognizes the importance of social protection as a necessary component of a comprehensive development strategy that addresses poverty, inequality and social exclusion and at the same time seeks to invest in people as a prerequisite for sustainable and fairly shared economic growth. It consequently seeks to support countries to put in place a minimum level of social protection for all. The outcome document of the Millennium Development Goals (MDGs) Summit adopted by the General Assembly by consensus on 22 September 2010 considers the social protection floor concept to be among successful policies and approaches. It states that "promoting universal access to social services and providing social protection floor can make an important contribution to consolidating and achieving further development gains".<sup>4</sup> The MDG Summit conclusions placed the social protection floor approach at the top of the development agenda and provided ground for strengthening inter-agency coordination efforts.

National Social Protection Floors should include at least the following four essential social security guarantees:

- guaranteed access to goods and services constituting essential health care, education and other social services;
- basic income security for children with the aim of facilitating access to nutrition, health, education care and any other necessary goods and services;
- basic income security for persons in active age unable to earn sufficient income;
- basic income security for people in old age.

The SPF-I supports countries in their efforts to provide access to essential social services and social transfers to everyone, paying particular attention to vulnerable groups including informal sector workers, children, pregnant women, migrants, people affected by HIV/AIDS, populations exposed to adverse external effects like natural hazards or extreme climate

<sup>4</sup> General Assembly, A/65/L.1, Keeping the promise: united to achieve the Millennium Development Goals (New York, 2010), p. 5

phenomena etc. It is not a one-size-fits-all social policy approach but rather seeks to establish minimum performance standards of national social protection policies by seeking to ascertain that all people have access to social transfers in cash or in kind or legal entitlements that guarantee access to a minimum set of goods and services and hence create a minimum of income security for all. National Social Protection Floors are context specific; they have to be carefully designed, tailored and adapted to country contexts, including institutional capacity and priorities in terms of human needs. SPF addresses multidimensional vulnerabilities in an integrated and interconnected way, it provides a framework to develop coherent and coordinated approaches to social protection and employment policies. By presenting a comprehensive and integrated approach that exploits the complementarities of policies addressing different but related domains, the SPF initiative goes beyond a list of development objectives to be achieved. It provides a framework for exploring synergies across sectors and setting priorities, thus avoiding a compartmentalized view of how to achieve progress without taking the holistic picture into account.

The SPF is relevant in every society, no matter which stage of development. It promotes building more equitable societies, acknowledging the importance of reducing inequality and abolishing social exclusion both as an end in itself but also because increased equity as such facilitates development.

A number of national programmes have demonstrated that the impact of social protection programmes on poverty, equity and human development outcomes can be dramatic.

Programme	Cost in % of GDP around 2008/2009	Impact
Old age		
South-Africa: Old-age grant	1.4	Poverty gap of the elderly would be 2/3 larger without pension
Namibia: Non-contributory pensions	0.9	One or two elderly in a household can provide a safety net for the entire household

Brazil: Rural Pensions	1.5	Reduced poverty incidence among members of households with a pensioner by about 21%	
Child benefits			
Brazil: Bolsa Familia	0.3	Accounts for 20 to 25% of reduction in inequality	
Mexico: Opportunidades	0.3	Has been responsible for 21% reduction of inequality	
South Africa: Child Support grant	0.7	Reduced child poverty rate from 42.7% to 34.3% Reduction of income inequality (all three social grants - old-age pension, disability grants, child support grant – lowered the Gini coefficient by 3%)	
Transfers for people in active age groups			
India: NREGA	1.5	Has helped to reduce the intensity of poverty Positive impact on women's empowerment and on the geographical-ecological environment	

Source: Sharing Innovative experiences: Successful Social Protection Floor experiences, ILO, UNDP, 2011

Social assistance in developing countries - Database, DFID, 2007

## 4. Possible measurable social protection goals in the post-2015 development agenda

If the new development framework uses a targeting approach with measurable indicators, goals related to social protection could be the following:

(1) By 2030 all people have social protection at least at the level of national floors for social protection.

(2) By 2030 all people with contributory capacity enjoy higher levels of social protection that were determined in a participatory national dialogue.

A range of indicators could be used at national levels, such as:

(1)) Percentages of (a) children and of total population with access to essential health care, education goods and services, (b) children receiving cash and in kind support guaranteeing income security during childhood, (c) men and women in active age who are not working

due to unemployment, sickness, maternity or disability and who receive support, and (d) elderly who receive any form of pensions. These measure percentages of population having access to protection through the four basic social security guarantees that embody a complete social protection floor (as to be defined in more detail by the forthcoming ILO Recommendation concerning national floors of social protection to be discussed and possibly adopted by ILC in 2012). The effectiveness of the transfers, in terms of percentages of population under the poverty line should be measured by a poverty objective and its indicators.

(2)) Percentage of employees, who have – in addition to benefiting from the social protection floor – adequate coverage against at least 3 of the 9 social security contingencies listed in ILO Convention No. 102 of 1952<sup>5</sup> including those specified in the conditions necessary to ratify the Convention

### 5. Conclusion

In view of the multiple roles that social protection can play in social and economic development, the post-2015 framework should contain an objective that ensures the inclusion of all groups in development and society through extending adequate social protection. The post-2015 debate needs a renewed and comprehensive focus on poverty, income distribution and social inclusion. Social protection is the ideal conduit.

<sup>5</sup> International Labour Organization, The ILO Social Security (Minimum Standards) Convention, No. 102 (Geneva, 1952), available at: http://www.ilo.org/public/english/protection/secsoc/areas/legal/conv102.htm

#### UN System Task Team on the Post-2015 UN Development Agenda

#### Membership

Department of Economic and Social Affairs (DESA), Co-Chair United Nations Development Programme (UNDP), Co-Chair Convention on Biological Diversity (CBD) Department of Public Information (DPI) Economic Commission for Africa (ECA) *Economic Commission for Europe (ECE) Economic Commission for Latin America and the Caribbean (ECLAC)* Economic and Social Commission for Asia and the Pacific (ESCAP) Economic and Social Commission for Western Asia (ESCWA) Executive Office of the Secretary-General (EOSG) *Food and Agricultural Organization of the United Nations (FAO)* Global Environment Facility (GEF) International Atomic Energy Agency (IAEA) International Civil Aviation Organization (ICAO) International Fund for Agricultural Development (IFAD) International Labour Organization (ILO) International Maritime Organization (IMO) International Monetary Fund (IMF) International Organization for Migration (IOM) International Telecommunication Union (ITU) *Joint United Nations Programme on HIV/AIDS (UNAIDS)* Non-Governmental Liaison Service (NGLS) Office of the Deputy Secretary-General (ODSG) *Office of the High Commission for Human Rights (OHCHR)* Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (OHRLLS) Office of the Special Advisor on Africa (OSAA) Peace building Support Office (PBSO) United Nations Children's Fund (UNICEF) United Nations Conference on Trade and Development (UNCTAD)

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