

## **ILO-UN Social Protection Floor Initiative: The role of social security in crisis response and recovery, and beyond**

The crisis has reinforced the perception that the extension of social security should be a high priority. While in many developing countries social security systems were previously considered unaffordable, they are now regarded as important investments to support sustainable economic growth. Furthermore, in times of crisis, social security systems are playing an essential role as economic stabilizers. Interview with Michael Cichon, Director of the ILO's Social Security Department, about the UN Social Protection Floor Initiative and social security in times of crisis.

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### **What is the objective of the Social Protection Floor Initiative?**

At present four out of five people worldwide do not benefit from a level of social protection that allows them to realize their human right to social security. Ensuring a basic level of social protection and thus a decent life for these people – many of whom are struggling just to survive – is a necessity and an obligation under the Human Rights Instruments. Such is the objective of the joint SPF Initiative.

### **What do you consider a “basic level of social protection” to consist of?**

For the SPF-Initiative a basic level of social protection means access to essential services and social transfers for the poor and vulnerable. Within the scope of its mandate, the ILO is in charge of promoting the social transfer component of the social floor, i.e. a basic set of essential social guarantees realized through transfers in cash that could ensure universal access to essential health services, income support and income or subsistence security.

### **Who are the initiators?**

The SPF-I was adopted by the Chief Executives Board of the United Nations in April 2009 as response to the crisis. The ILO and the World Health Organization (WHO) are leading the Initiative. It is supported by 19 UN agencies and other partners such as development banks, bilateral organizations and NGOs. The improved coordination between these partners is at the core of the Program. The Social Protection Floor was subsequently integrated as a key element of the [Global Jobs Pact](#) adopted by the International Labour Conference 2009. The Pact provides an internationally agreed set of policy measures to build an employment-oriented framework for future economic growth.

### **Which role do social security systems play in national crisis management?**

The [ILO report](#) to the G20 summit in Pittsburgh found that the employment effects of the so-called ‘automatic stabilizers’, including social assistance and social security benefits, were just as important as the effect of the stimulus packages. Governments that already had social protection schemes in place were much better able to cope with the crisis. The impact of the crisis at household level was softened and the drop in aggregate demand alleviated.

## **Did the crisis change the perception regarding the need of social security systems?**

Given the stabilizing role that social security systems have played, they have become universally accepted instruments. Governments were able to use existing social transfer systems for the delivery of stimulus packages to respond to the heightened need for protection. The crisis acted as an accelerator in the social security debate. Social security systems not only respond to social needs, they are an economic necessity. We need a new understanding of the importance of social security. It is a condition to growth rather than a burden to society.

## **What are the main challenges to the existing social security systems?**

Besides the direct impact of the crisis on social security financing and increased demand on social security systems, the latter face a number of long-term systemic challenges. The overall challenge to social security systems in particular in industrialized countries is the changing demographic environment. Developing countries will also face these challenges at some stage. However, their main challenge today is to extend social security coverage by putting in place sustainable social security systems – starting with a basic level of protection for all and gradually building on that base to provide higher levels of protection.

## **But can countries afford comprehensive social security systems?**

Sound financing is a key concern for implementing sustainable social security systems. ILO studies found that it is possible to finance the Social Protection Floor or some of its components even in low-income countries. For a comprehensive approach, a national social security strategy and a diagnosis of priority needs can help to sequence the implementation of social security schemes. As countries achieve higher levels of economic development, their social security systems should also, in parallel, extend the scope, level and quality of benefits and services provided. This can be done within the framework of ILO Conventions, particularly a wider ratification of the ILO's flagship [Convention No. 102](#).

## **How does the SPF-I contribute to overcoming these challenges?**

The SPF-I has set up a Global SPF Advisory Network to deliver technical assistance to countries that are committed to building, expanding, or reorienting their social protection systems. The Initiative provides support along every step in the process including policy design, awareness raising, fiscal space analysis, legislation and evaluation. We are supporting a South-South exchange on SPF experiences and we are offering training courses in collaboration with the [ILO's International Training Centre](#) (ILO-ITC) in Turin.

## **Are there countries that have already implemented the Social Protection Floor or some of its components?**

Many developing countries have already successfully taken measures. Among these, Mexico, Brazil and Chile. Argentina, China, India, Thailand, Ghana, Mozambique and South Africa, have introduced important elements such as family benefits, access to education and

health services. Cambodia, Equator, Burkina Faso, Togo and Benin have recently committed to start building their own Social Protection Floors.

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