

# BUILDING SOCIAL PROTECTION FLOORS WITH THE ILO TOGETHER, TO CHANGE MILLIONS OF LIVES THROUGH IMPACT ASSESSMENT TOOLS



International  
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## NEED TO BUILD EVIDENCE

Social protection is a human right. The decision to develop a social protection floor that guarantees a minimum of protection for all as part of national social protection systems is therefore an obligation for every government around the world. However, implementing a social protection floor has a cost and requires political decisions to commit the necessary resources.

To demonstrate the importance of investing in the development of a social protection system, there is a need to present evidence of:

- the impact of social protection on economic growth and social development
- social protection as an investment that produces positive returns
- the interdependence between the provision of social protection and business performance

## PROMOTING SOCIAL PROTECTION THROUGH EX ANTE IMPACT MODELLING

An ex ante impact assessment attempts to estimate the potential impacts of future programmes and policies, for example on the expected reduction of poverty and wider social and economic impacts. Such ex ante models can be combined with cost estimates and can help to inform national dialogues on developing national social protection strategies. Such models can also assist countries in setting scheme parameters, maximizing potential positive impacts at micro/individual, mezzo/community and macro/national levels.

Based on a long-standing partnership with Maastricht University, the ILO's Social Protection Department continuously updates and refines ex ante models and develops complementary analyses to support its constituents in the establishment of SPFs.



## DEVELOPING EMPIRICAL EVIDENCE USING EX POST EVALUATIONS

Ex post evaluations measure the impacts on beneficiaries attributable to programme interventions. Ex post evaluations have immediate benefits and reflect reality, making them very important in guiding the design or reform of social protection schemes or the social protection system as a whole. The ex post evaluations can document the impact of social protection on reducing poverty and inequality. These evaluations, however, sometimes fail to explain the underlying reasons for the success or failure of programmes.

In collaboration with the Global Business Network for Social Protection Floors, the ILO's Global Flagship Programme will carry out ex post evaluations to document the impact of social protection on businesses.

## SOCIAL SECURITY AND FIRM PERFORMANCE: THE CASE OF VIETNAMESE SMEs

A study by the ILO investigated how providing social security – a key determinant of formality – impacted the performance of small and medium-sized enterprises in Viet Nam. Based on enterprise census data covering all registered firms from 2006 to 2011, the authors found that firms which increased their social security coverage by 10 per cent experienced a revenue gain of 1.4–2.0 per cent per worker and a profit gain of up to 1.8 per cent, depending on the survival time of the firm.



However, given the time lag between “investment” (social security coverage) and returns (enhanced firm performance), specific policy measures such as temporary reductions of social insurance contributions for small firms or the simplification of administrative procedures could increase participation in mandatory schemes.

Source: Lee, S., Torm, N., 2017. Social security and firm performance: The case of Vietnamese SMEs. *International Labour Review* 156, 185-212. Available at: <https://onlinelibrary.wiley.com/doi/abs/10.1111/j.1564-913X.2015.00054.x>

## FROM RIGHT TO REALITY WITH YOUR SUPPORT

The ILO has long-standing experience in extending social protection to all. With your help, countries can ensure that social protection systems cover everyone’s needs.

You can support us to:

- Conduct the qualitative assessment and formulate policy options through national dialogue.

US\$ 100,000 (6 months)

- Engage in partnerships with universities to develop ex ante models to capture the impacts of social protection development at micro, mezzo, and macro levels.

US\$ 50,000-200,000 per model

- Adapt these ex ante models to country situations and use them as part of national dialogues on social protection.

US\$ 100,000 per country

- Develop protocols and conduct ex post impact evaluations for some key projects of the Global Flagship Programme on Building Social Protection Floors for All.

US\$ 200,000 per impact evaluation

- Support the Global Business Network for Social Protection Floors in developing the business case for public social protection schemes.

US\$ 200,000

- Produce a series of “Social protection has impact” briefs.

US\$ 200,000

- Develop training material and organize workshops at the national, regional and global levels.

US\$ 100,000 per event

## LISTENING TO YOUR AMBITIONS

As a donor, you receive regular reports on the progress made and have access to ongoing project activities and performance indicators.

To further discuss your objectives and the ways in which you can improve millions of lives, you can contact:



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