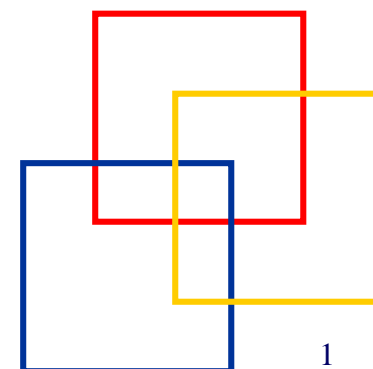




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A Social Protection Floor for all: The UN initiative, the ILO and the South-South dialogue

Michael Cichon
Social Security Department, ILO
16 June 2010

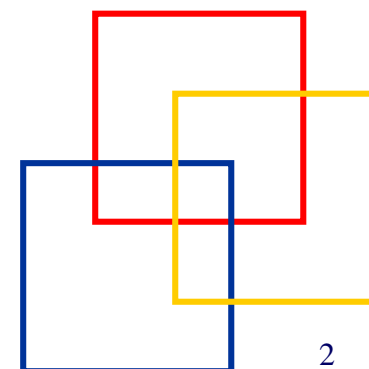




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Structure of the presentation

- One: Roots and rationale of the Social Protection Floor concept
- Two: The UN CEB Social Protection Floor Initiative
- Three: The emerging ILO policy paradigm
- Four: Affordability
- Five: Impact and evidence
- Six: What next?

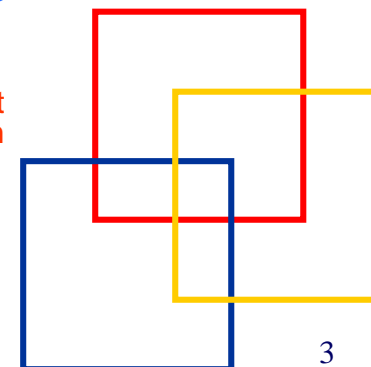




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One: Rationale: social and economic necessity of social protection systems ...

- We know from more than one century of history of the modern welfare state that social transfers and services **are powerful policy instruments to combat poverty, insecurity and inequality and ...to achieve the MDGs**
- Social services and transfers are **an economic necessity** to unblock the full economic potential of a country, *only people that are healthy, well educated and well nourished can be productive*
- There is now widespread acceptance that social protection/security serve as **social and economic stabilisers in times of crisis**
- Article 22 of the **Universal Declaration of Human Rights** states: “Everyone, as a member of society, has the right to social security” further explained by article 25 and echoed by the **International Covenant on Economic, Social and Cultural Rights (1966,1976)** as commented by the Committee on Economic, Social and Cultural Rights in 2008 stating **the need for**
 - *Progressive implementation of the right to social security while maintaining*
 - *a core obligation of State parties to ensure the satisfaction of a core group of social risks and contingencies through immediate implementation*
- And yet, still 75-80% percent of the global population do not enjoy a set of social guarantees that allows them to deal with life's risks.....There is a need for a social protection floor below which nobody should fall ...



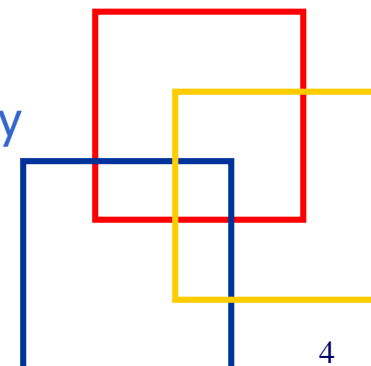
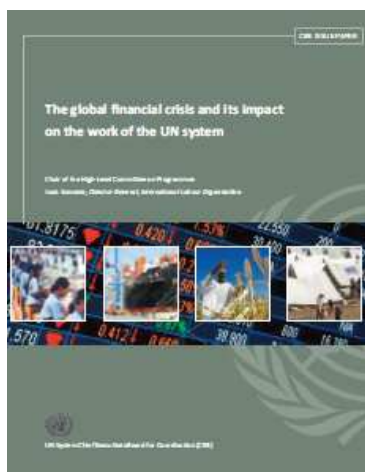


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Two: A UN System Emergency response to the crisis

On April 2009, the UN Chief Executives Board (CEB) agreed on **nine joint initiatives** to confront the crisis, accelerate recovery and pave the way for a fairer and more sustainable globalization:

1. Additional financing for the most vulnerable
2. Food Security
3. Trade
4. A Green Economy Initiative
5. A Global Jobs Pact
- 6. A Social Protection Floor**
7. Humanitarian, Security and Social Stability
8. Technology and Innovation
9. Monitoring and Analysis



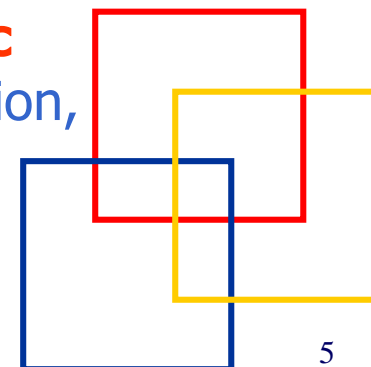


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Two: What is the Social Protection Floor (SPF)–Initiative? ..

The SPF Initiative aims at joint **global and local UN action** lead by **ILO+WHO** to promote access to essential services and social transfers for the poor and vulnerable. It includes:

- A basic set of **essential social rights and transfers**, in cash and in kind, to provide a minimum income and livelihood security for poor and vulnerable populations and to facilitate access to essential services, such as health care
- Geographical and financial **access to essential public services**, such as health, water and sanitation, education, social work

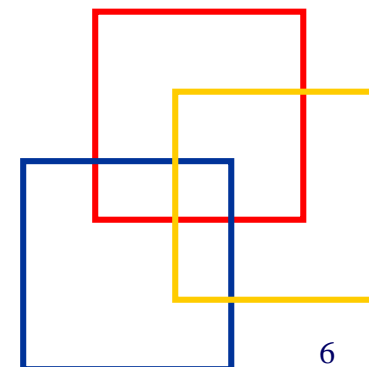




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Two: What has been done so far?

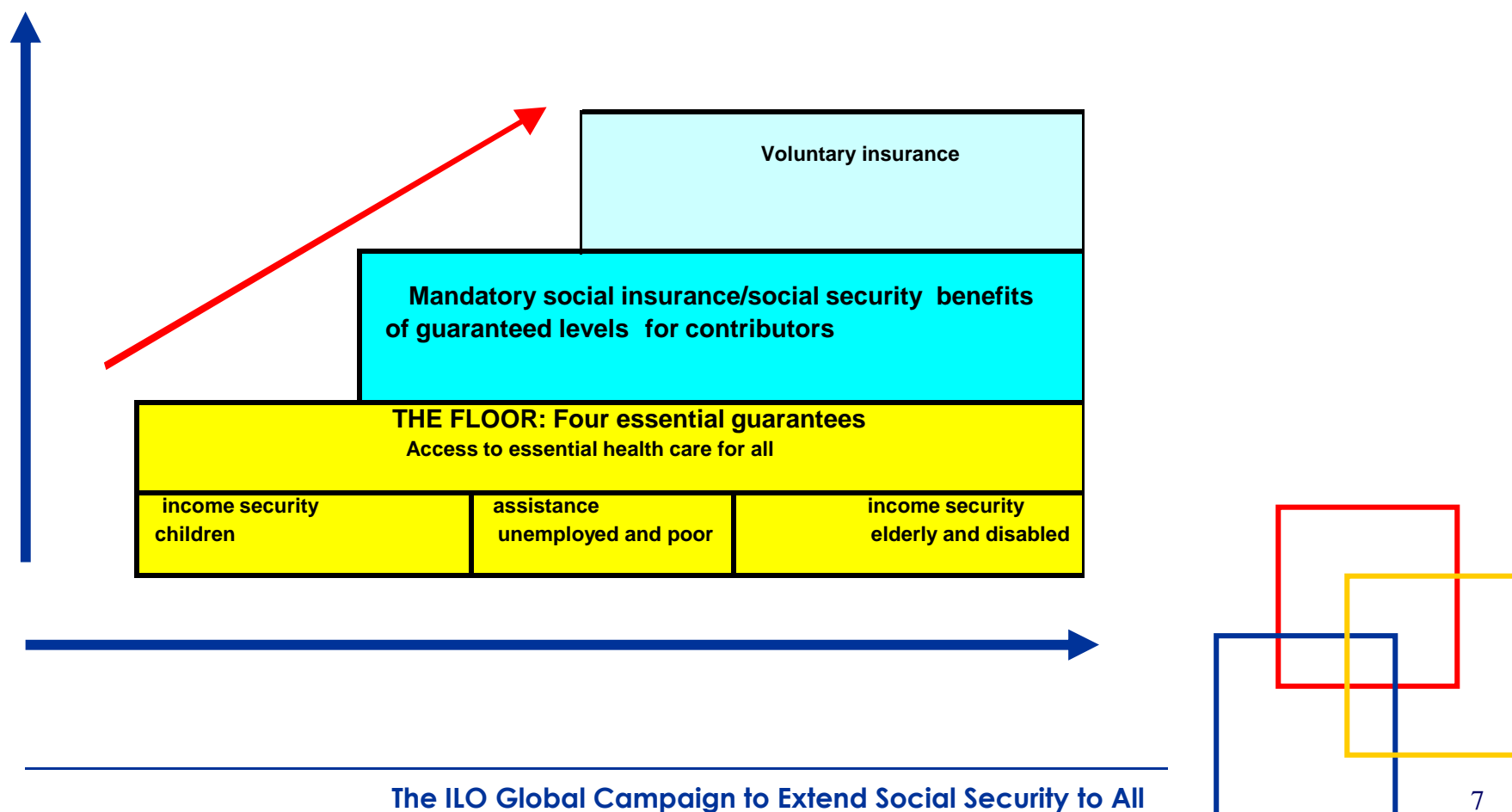
- Interagency Meeting October 2009 => MANUAL for country operations
- Global Advisory Network constituted
- Advocacy at global, regional, national levels => e.g. Global Jobs Pact, UNCSocD RESOLUTION
- Methodology for rapid SPF assessments is being developed
- South-South exchange on SPF
- Activities started in several countries: Burkina, Benin, Cambodia, Maldives, Mozambique, Togo, Thailand, **soon to start:** Ethiopia, Haiti, Honduras...?
- Trainings at ITC





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Three: ... an emerging policy framework for the ILO campaign to extend social security to all: a staircase and a story of two dimensions

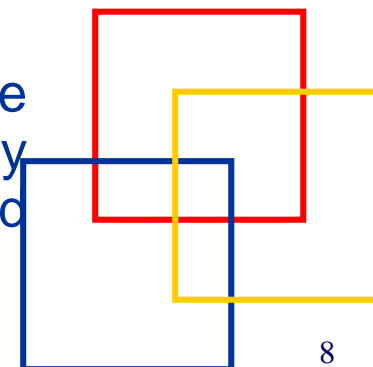




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Three: The horizontal dimension - The social security component of the social protection floor that could consist of four essential social security guarantees:

- all residents have ...access to a nationally defined set of essential health care services;
- all children have income security, at least at the level of the nationally defined poverty line level, through family/child benefits aimed at facilitating access to nutrition, education and care;
- all those in active age groups who are unable to earn sufficient income on the labour markets should enjoy a minimum income security through social assistance ...
- all residents in old age and with disabilities have income security at least at the level of the nationally defined poverty line through pensions for old age and disability.

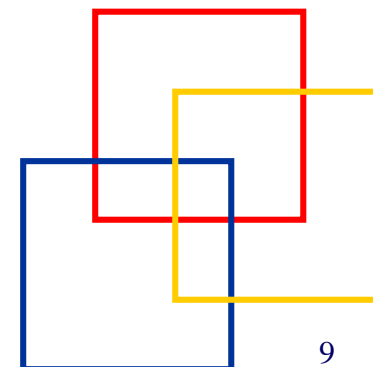




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Three: The vertical dimension: Back to home turf...

- Promote benefit ranges and levels in the formal economy that comply with ILO conventions
- Promote the ratifications of up-to-date conventions, notably the Social Security (Minimum Standards) Convention, 1952 (No. 102)
- *Shall we set a target for the number of ratifications by 2015?*

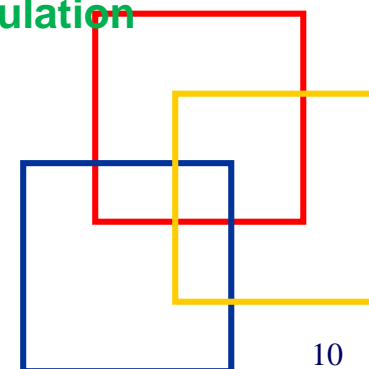




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Four: Affordability: Essential cash transfers financing most of the need for essential goods and services are affordable. A simulation exercise – Assumptions

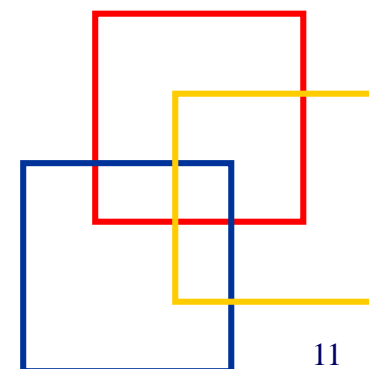
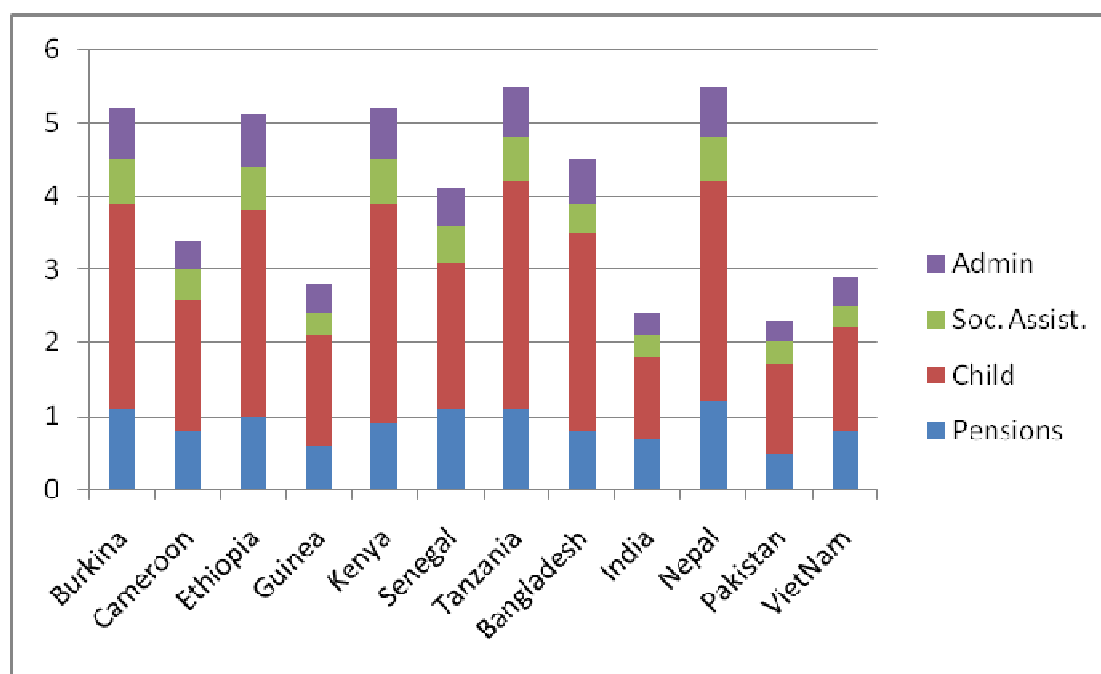
- **Basic old-age and invalidity pensions:**
 - 30% of per capita GDP capped at US\$ 1 PPP per day
- **Child benefits:**
 - 15% of per capita GDP capped at US\$ 0.50 PPP, for a max. of two children in age bracket 0-14
- **Essential health care:**
 - based on a health system staffing ratio of 300 medical professionals per 100,000 population, overhead 67% of staff cost ...
- **Basic social assistance for the unemployed:**
 - 100 day guaranteed employment **paid to 10% of working-age population at 30% of per capita GDP capped at US\$ 1 PPP per day**
- **Administration cost:**
 - 15% of cash benefit expenditure





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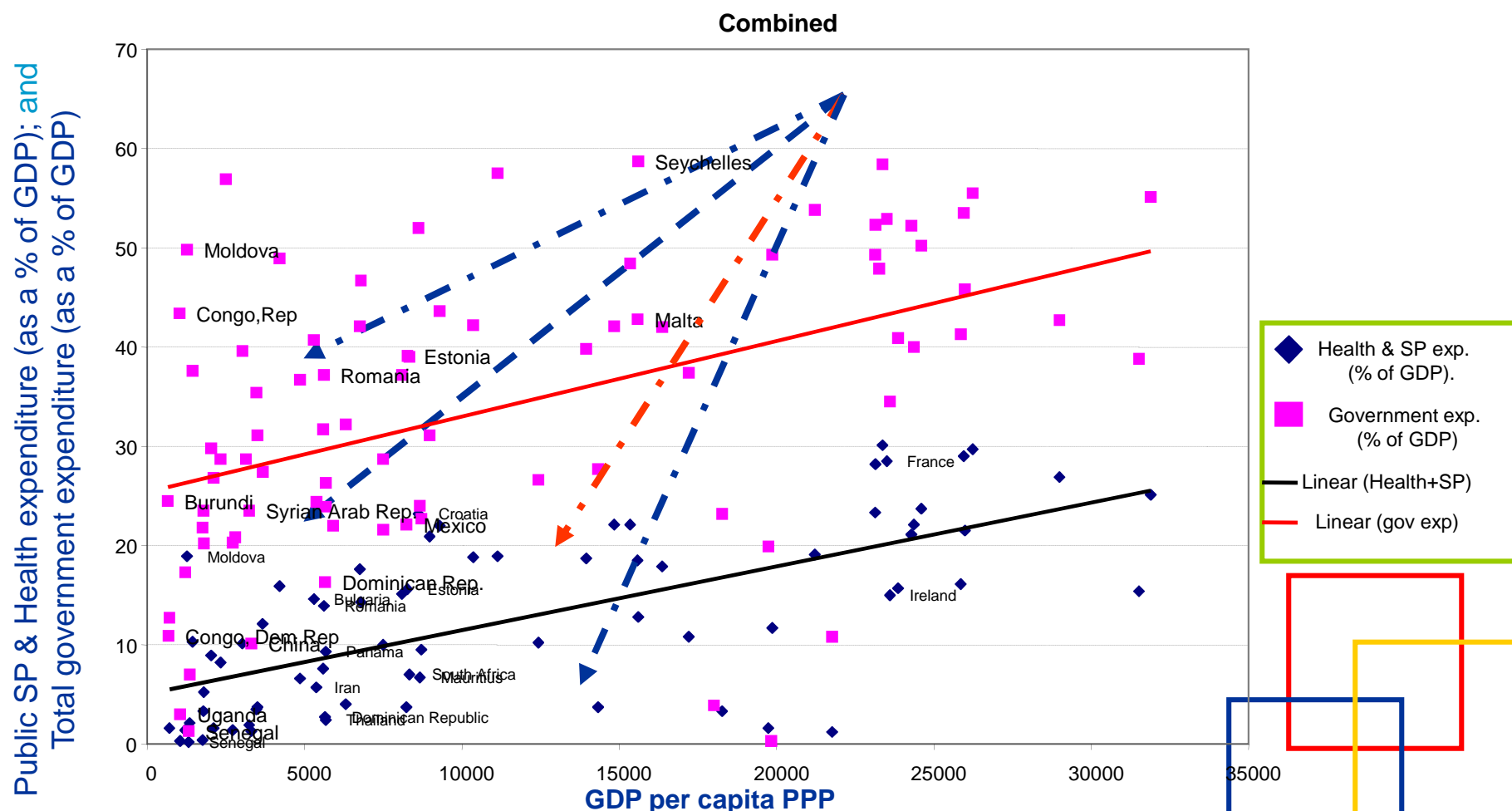
Four:... a basic social protection package is affordable: Cost of basic transfers in % of GDP





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Four: Financing strategies: Lack of fiscal space? The good news

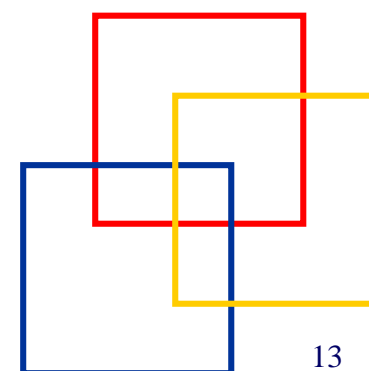
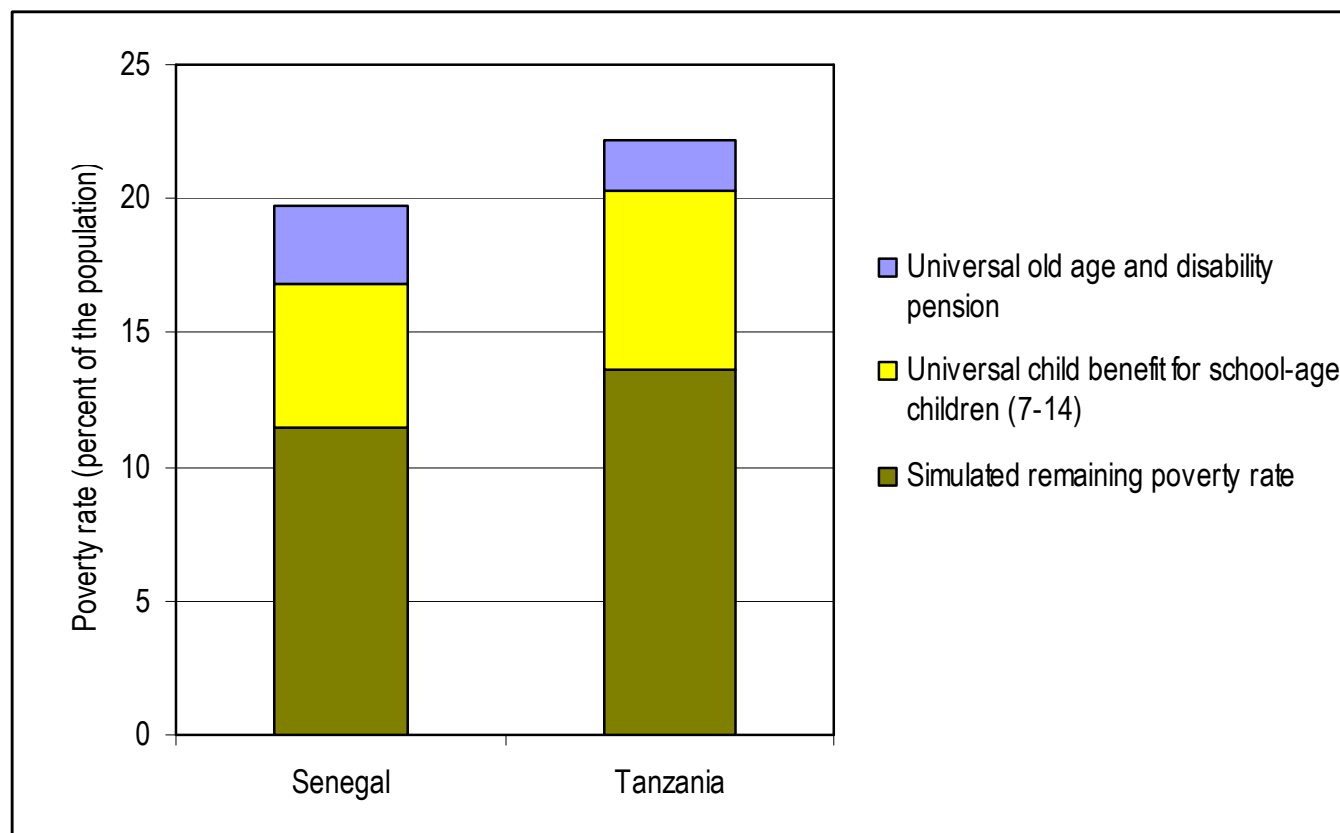


The ILO Global Campaign to Extend Social Security to All



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Five: Estimated effect of cash transfers on reduction of poverty (headcount)





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Five: ...and real life evidence

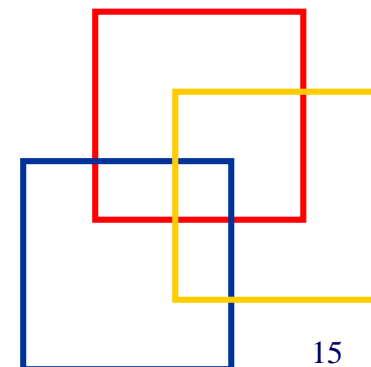
Programme	Cost in % of GDP around 2008/09	Effects
Old age		
South Africa, Old age grant	1.4	"Poverty gap of the elderly would be 2/3 larger without pension"
Nambia , Non contributory pensions	0.9	"one or two elderly .. in a household can provide.. a safety net for the entire household"
Brazil, Rural pensions	1.5	"reduced poverty incidence amoung 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, Oportunidades	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"
Transfers for people in active age		
India, NREGS *	1.5	"has helped to reduce the intensity of poverty"



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Five: Evidence from the South: Preliminary Results of an ILO Meta study “Compendium of Cash transfer programs in Developing Countries” ...a number of countries are already providing some basic guarantees...

- **Number of countries in study:** 28 - 8 in Africa, 9 in Asia, 11 in Latin America
- **Number of studies:** 80 studies during 1999 and 2008
- **Number of programmes:** 63
- **Estimated number of total beneficiaries (primary and secondary, at the end of 2008):** between 150 and 200 million people
- **Expenditure starts at less than 0.5% of GDP...**

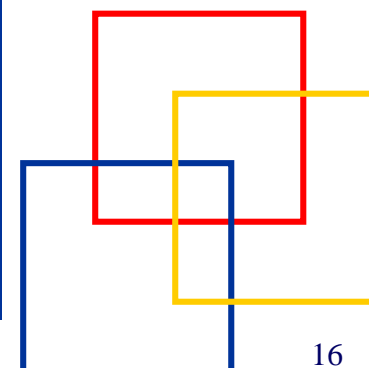




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Five: Social impact – preliminary results of an ILO Meta study

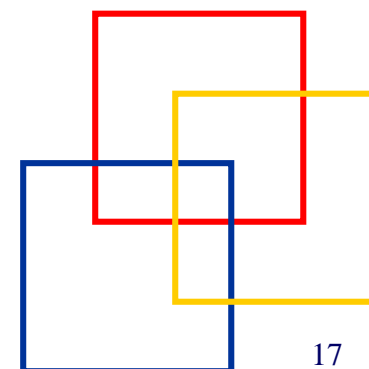
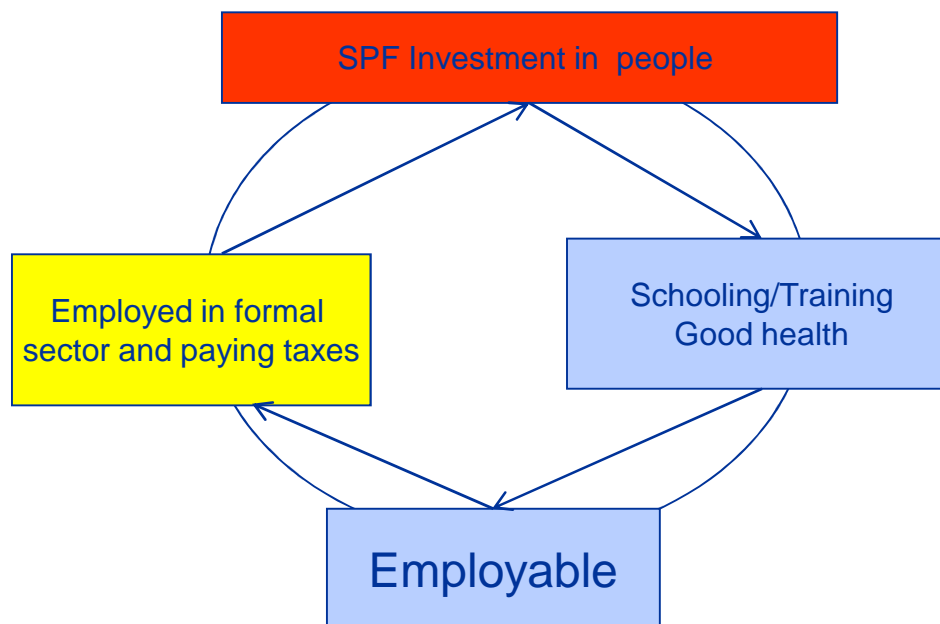
Criteria	Number of studies that found Effect positive	Effect small/neut.	Effect negative
Poverty/Vulnerability			
Poverty	46	9	-
Inequality	5	1	-
Health/nutrition	25	1	-
Education			
Enrolment	30	-	-
Quality	9	5	-
Labour Market Participation	9	5	3
Child labour	12	3	-
Prod. Investments/act's	40	5	-
Social Status/bonds	23	1	2
Gender	13	4	-





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Five: Impact of SPF policies- The virtuous circle of reducing informality

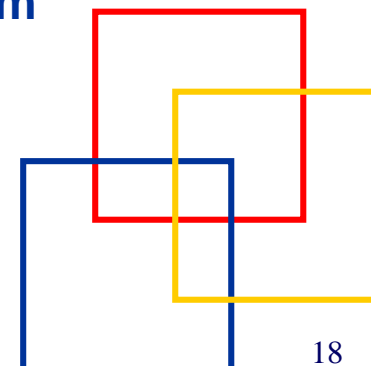




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Six: What next?... at the UN

- ***Short to medium term:***
 - Training of planners
 - Country projects to be completed and expanded
 - **SOUTH - SOUTH learning dialogue (like this ...)**
 - Country scans and projects
 - Interagency Advisory Board November 2010
- ***Long-term:***
 - Concept to be anchored in official institutional strategies of the UN agencies
 - This requires major campaign to defend minimum **national social protection floor budgets** in a globalised economy

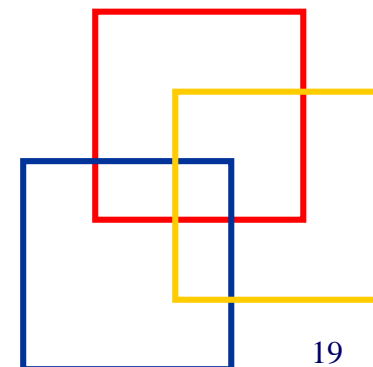




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Six: What next?...at the ILO

- *African Regional Summit in October 2010 is expected to endorse the two dimensional strategy*
- *2011 Recurrent Review of Social Security at the ILC could ideally*
 - Endorse the two dimensional strategy
 - Recommend a new ILO mechanism on the social protection floor
 - Recommend a renewed campaign for the ratification of C. 102
- *Before 2015 to support progress towards MDGs*
 - a new ILO mechanism ?





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Social Protection Floor – Further information:

- Visit the SPF website:
<http://www.socialsecurityextension.org/gimi/gess/ShowTheme.do?tid=1321>
- Read the SPF Manual:
<http://www.socialsecurityextension.org/gimi/gess/RessShowRessource.do?ressourceId=14484>
- Contact:
wodsak@ilo.org

