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INTERNATIONAL SOCIAL SECURITY ASSOCIATION

# ISSA Statement on the ILO strategic objective of social protection (social security)

International Labour Conference 2011

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It is a great pleasure and honour for me, as President of the International Social Security Association (ISSA), to convey the greetings of more than 330 government departments and social security administrations in 153 countries. Created in 1927, under the auspices of the International Labour Organization (ILO), the objective of the ISSA is to promote and develop dynamic social security throughout the world by assisting its members to achieve good governance and administrative excellence in both contributory and non-contributory social security schemes.

On behalf of the ISSA's global membership, I wish to thank the Director General of the ILO for inviting the ISSA to contribute the perspectives and experience of the world's social security administrations to this most important discussion for the future of social security.

Allow me to recognize the considerable achievements of the ILO in social security during the last decade, which are evidence of the renewed commitment of the Organization to the values underpinning social protection and to the extension of social security coverage. This period has witnessed the preparation of new conceptual approaches and the forging of an international alliance to support the Social Protection Floor. Significantly, these efforts have resulted in a number of concrete national extension initiatives in several regions of the world.

Social security is an essential factor of just economic and social development and is indispensable for mitigating the risks associated with globalization. The crucial role of social security as an economic and social stabilizer was again confirmed during the recent financial and economic crisis. That this fact is now undisputed is particularly remarkable considering that as recently as the mid-1990s, some debates were questioning the very legitimacy of social security. Today's broad consensus for social security is, to a large extent, due to the efforts of the ILO. Positively, this context provides an historic window of opportunity for the delegates at the International Labour Conference 2011.

I would now like to make seven points that summarize the ISSA's view on the ILO report, focusing in particular on the critical challenge of extending access to social security.

**First**, the ISSA lends its full support to the **two-dimensional strategy for the extension of social security coverage**, consisting of a horizontal dimension of basic social protection guarantees for the whole population and a vertical dimension of higher levels of income security and health protection through contributory coverage. The ISSA shares the conclusion that a comprehensive national social security system requires the development of both dimensions. Sound coordination and linkages at both policy and administrative levels between the two dimensions is paramount for exploiting the potential for significant and positive complementarities.

**Second**, the ISSA welcomes the high value that the ILO attaches to **good governance and the effective and efficient management of social security systems**. Important questions about how to deliver benefits effectively and efficiently have to be resolved in order to ensure that the

growing policy consensus on the need to guarantee income security and essential health care to populations effectively leads to better protection.

In particular, identifying and promoting the factors enabling good governance and high-performance in administering benefits is indispensable in this regard.

**Third**, the ISSA emphasizes the **important role that social security administrations** must play in efforts to extend coverage at the national level. To encourage and assist its member organizations, the ISSA launched a new “Strategy on the Extension of Social Security Coverage” at its World Social Security Forum in 2010. Recognizing that the role of ISSA member social security organizations is predominantly related to policy implementation, the strategy identifies four priority areas in which social security administrations can make an important contribution to coverage:

- Improving compliance and contribution collection;
- Developing the administrative solutions to extend coverage to difficult-to-cover population groups;
- Supporting the successful administration of tax-financed minimum benefit schemes; and
- Advocating, at the national level, for the extension of social security.

Importantly, the ISSA strategy is supported by a broad range of initiatives aimed at assisting social security administrations to strengthen good governance and effective and efficient management. These include the development of a range of administrative and good governance guidelines, the international benchmarking of administrative performance, and the exchange of good practices to respond to ICT, actuarial, investment and service quality challenges.

**Fourth**, the ISSA strategy on extension is focused on **the capacities of social security administrations** to achieve innovation in contributory programmes and to design solutions to meet, for example, the needs of migrant workers and other difficult-to-cover population groups, and is therefore complementary to the two-dimensional strategy developed by the ILO.

**Fifth**, by strengthening the capacities of social security administrations, the ISSA strategy **makes an important contribution** to the goals of the Social Protection Floor:

- The objective of **successful administration and delivery** of guaranteed minimum benefits can draw on the administrative know-how and expertise of ISSA member organizations and ISSA guidelines and good practices.
- By strengthening **contribution collection and compliance**, social security administrations can support the sustainable provision of benefits and reduce the need for fiscal subsidies. Improved compliance will allow limited fiscal resources to be directed to other priority areas, including tax-financed basic guarantees.
- Enhancing the **national advocacy role** of social security administrations in support of coverage extension can offer positive support for contributory and tax-financed programmes alike.

**Sixth**, based on its strategy and commitment to the extension of coverage, the ISSA offers its full support and expertise to the ILO and its partners in further building national capacities to implement both vertical and horizontal coverage, in particular through improving management and administrative capacities of social security institutions and facilitating technical advice and

knowledge transfer from ISSA member institutions. The ISSA looks forward to strengthening and formalizing its cooperation with the ILO in this respect.

**Seventh**, based on the exchanges among leading representatives of social security administrations at ISSA conferences and statutory body meetings, the ISSA reiterates that the ILO Conventions and Recommendations, and in particular Convention 102, have provided an invaluable standard to promote social security worldwide and to guide policy-makers and administrators. The ISSA will continue to promote the ratification and application of these Conventions and Recommendations through its various means of action.

In view of the indispensable role and positive impact of the existing Conventions and Recommendations, the ISSA shares the recognition of the need for an international instrument that would promote horizontal coverage extension strategies and give related guidance to policy-makers and administrators.

To conclude, I wish to emphasize that no effort should be spared to ensure that all people enjoy at the very least, and as a first necessary step, basic social protection. At the same time, however, we must not lose sight of our common objective, which is to build on the “floor” in order to secure adequate levels and sustainable social protection, through contributory social insurance programmes, for as many people as possible.

The ISSA is committed to intensify its work towards these complementary objectives. In doing so, we look forward to building even closer relations with the International Labour Office, which we hope will be provided with a strong mandate to promote the extension of coverage by government, employer and trade union representatives at this International Labour Conference 2011 that may indeed prove historic for the future of social security worldwide.

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