

Mobilizing the private sector to extend social protection

Achieve the Sustainable Development Goals on Universal Social Protection through South-South and Triangular Cooperation

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Around the globe, climate change is affecting people's lives. Higher temperatures, droughts, flooding, sea level rise and other extreme weather events pose significant challenges to individual livelihoods and national economies. Whether recurrent or isolated, the need to protect people from the effects of climate change is of primary concern for many policy-makers, as is tackling its root causes. Climate change mitigation measures, in particular those to reduce greenhouse gas (GHG) emissions, can create new "green" sectors of the economy. At the same time, individuals whose livelihoods are tied to less environmentally-friendly practices will require assistance as countries make the difficult choices to phase out certain industries. Measures to re-skill workers and protect those who lose their jobs will be necessary to ensure a just transition to greener economies and societies.

About 73 per cent of the world's population is not adequately covered by social protection.



Social protection floors (SPFs) guarantee basic social protection to everyone and make the right to social protection a reality for all.

The Global Business Network for Social Protection Floors intends to mobilize the private sector for the establishment of SPFs in countries. The Global Business Network was launched on 28 October 2015 by the ILO Director General, Mr Guy Ryder, and the Secretary General of the International Organisation of Employers (IOE), Ms Linda Kromjong.

Composed of enterprises and corporate foundations across the world, the Network has the shared goal of fulfilling the human right to social protection.

Why is building social protection floors important for enterprises?

The absence of public social protection systems results in increased costs

The absence of public social protection systems results in private enterprises having to pay for private occupational pension plans or private group benefit plans. Those plans are more expensive, less sustainable and less redistributive than well-designed and collectively financed public social protection systems.

A new chapter in L'Oréal's history

"I was struck by the tremendous disparities in social protection from one country to another. Yet, L'Oréal must ensure security and protection so that each employee can work in total confidence wherever they are. The objective of the Share&Care Program is to ensure that L'Oréal's employees around the world, wherever they may be, no matter what country they are in, will have access to the best benefits in four areas: social protection, health care, parenthood and quality of life at work. I am convinced that with this particularly ambitious program, we are opening a new chapter in our social history."

- Jean-Paul Agon, Chairman and CEO of L'Oréal



Public social protection systems support enterprise competitiveness

Public social protection systems result in lower absenteeism, greater worker productivity and reduced turnover.

Public social protection systems help build a good business environment

Public social protection creates a good business environment. It is a driver of social and political stability, which are important factors that impact firms' success and economic development at large. It also boosts aggregate demand for goods and services by increasing incomes, which can create new business opportunities.

The Global Business Network's objectives

Enable enterprises to share their experiences on social protection

Many enterprises are already facilitating social protection for their employees. The Network will enable them to share their experiences and learn from one another. Enterprises will also work towards improving coverage through public social protection systems, particularly in countries where social protection systems exist and are functional.



Enable enterprises to promote and support the development of public social protection systems

The Network will enable enterprises and their affiliates to promote and support the development of public social protection systems through advocacy and other activities.

Participating enterprises have agreed to work on two mutually reinforcing fronts:

1. Exchanging information on current business practices, policies and programmes on social protection

Participating enterprises propose to jointly document, with the ILO's support and guidance, a guide to help enterprises design and implement social protection for their employees.

2. Supporting the development of national social protection programmes more generally in a number of countries

Participating enterprises propose to develop a guide for the private sector to support the establishment of national SPFs. They are interested in developing materials to promote public social protection systems, including articulating a business case for sound public social protection systems. They are also interested in exploring how they can engage in more concrete ways in a few countries in collaboration with national employers' organizations and local companies in national dialogues on social protection.

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