

The background features abstract, overlapping green geometric shapes in various shades, creating a modern and professional look. The shapes are primarily triangles and polygons, some semi-transparent, layered on a white background.

Employers concerns on Social Protection Floor strategies and implementation

Arnout De Koster

Objectives of the sessions

What?

Gather ideas - best practices on points of attention for national EO reps to reflect - intervene in national SP debates to present basic concerns on policy choices underlying design and implementation of SP strategies

Specific angle?

What can Eos contribute to the debate as representatives of the private sector?

Why important?

Eos are as representative of private sector direct stakeholder in national SP debates: they partially **finance**, they are responsible for the growth of private sector and have to **maximise positive effects of SP**, and mitigate negative effects of SP interventions in **CONSTRUCTIVE** ways

Intro - objectives

Soc protection : Complex - not universal

The design of SP systems is about **choices** on society organisation. Based upon a mix of ethical, economic, cultural and political considerations.

Our commonality is that we are employers and believe hence in the **driving force of private sector and free markets**. But we may also have differences: ethical, political, and cultural. The mix of approaches will hence be interesting.

Outcome?

Eos are aware and better prepared to intervene in national SP debates and look upon input in this course with « employers » glasses.

Organisation of this session and sessions Wednesday

STARTING POINT : YOUR PREPARATORY WORK: input for discussions

Three QUESTIONS TO ADDRESS :

Part 1: SOC PRO : WHY do we bother ?

Part 2: WHAT do we bother about ? What are in general concerns of employers when speaking about social security and social protection ?

Part 3: HOW to do as EO representation ? How to put this into practice ? (for Wednesday)

Part 1 Why should we bother ?

EXERCISE - Discussion per WG group

Theme:

why would we bother about social protection ?

List some points why SOCPRO is important for Eos and companies

Discussion 10 minutes - 3 min reporting -

Part 1 Why should we bother ?

Your points

Part 1 Why should we bother ?

- Important part of **state budgets**
- Financing by employers **effect on labour cost**
- SP important element of **social stability**
- SP policy important element of **equity**
- SP important **relationship with labour law**
- Relationship with **collective bargaining** at sector and company level
- SP important effect on **labour supply quantity**
- SP important effect on **labour supply quality** : Health , education, transition to employment
- Effect on **labour motivation** - work ethics

Part 1 How much do you bother at present ?

Per country : score your EO between 0 and 3

11 questions (see word doc)

Calculate total (max 33) and %

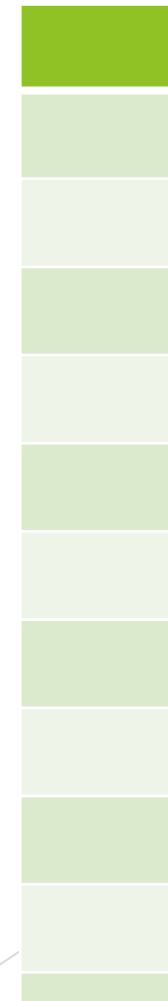
Your practice - short discussion per country

- ▶ Which of your organisations do bother ? Score each of your organisations on 10 points from 0-3
- ▶ 0 = nothing ; 1= very limited, 2= intensive but on specific parts, 3= intensive on the whole SP policies
- Presence of SP themes in your national business agenda
- Active and EO steered presence of your EO representatives in joint management of social security
- Discussions in your board on social protection policies
- Position papers on SP in your EO ?
- Social dialogue with trade unions and government on SP
- Dialogue - interventions with top government on SP?
- Feeling of real influence of your EO on national social protection policies
- Expertise - specialised staff in your EO on SP?
- External communications (press, website, social media, publications) on your views on SP ?
- Regular monitoring of SP policies
- Important involvement with ILO local offices or SP specialists?

Your practice - results

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Why not or why not more ?

Your EO not in need to bother

- No members awareness , interest or pressure
- We are anyway not heard- waste of time
- Not important for employers

Your EO : In need but not possible

- Focus on labour law and IR
- Too complicated
- No expertise

Your personal opinion ? Should it SP a more prominent theme for your EO and what can be done to achieve this ?

Main conclusions part 1

- ▶ SOC PRO important theme - becomes more important : SDG , ILO, national policies
- ▶ Employers voice needed
- ▶ At present : sometimes weak , sometimes strong
- ▶ Causes: awaraness, structures of influence limited, resources
- ▶ ILO can help

Part 2 . What should we bother about ?

CONTENTS APPROACH

WHAT ARE MAIN EMPLOYERS CONCERNS IN SOC PRO

Exercise - discussion

1) Take your preparations (homework)

Discuss amongst each other which common positions your Eos have taken related to social protection.

Can you define a number of common principles in your approach ?

And a number of commonalities in the proposals you make in each of your countries ?

Discussion rules

Each working group - with reporting afterwards- discusses basic comments/ points of interrogation/ suggestions with questions - remarks employers (you) in general would make .

This as a starter for our discussion on points of attention - concern for employers in SP strategies.

Take 10-15 minutes for group discussion and 5 min for reporting / don't repeat in reporting if it has already been said by the other reporters.

Objective: we define jointly some basic points of attention of Employers

One example : affordability

Pointers of attention of employers - principles elaborated

1) Affordability - financing - sustainability

Questions to be asked :

- Financial expenditure- cost : soundness of the analysis and the underlying assumptions?
- Financing : see possibilities for fiscal space going from new taxes to savings elsewhere, to foreign financing : effect on employers cost and on other developmental priorities ?
- Sustainability : can the programme be sustained and what is risk analysis , taking into account several elements (demography, inflation, growth)?
- Sustainability : is the programme reversible in case of financial misadventure ?

Affordability

Possible conclusions and employers alternatives :

- Review **scope** of the plan, its **pace** (more progressive) , **entitlements**, **benefits levels** because insufficient / uncertain funding
- Review sources of funding because insufficient / uncertain, / unequitable funding (eg taxes, contributions)
- Review levels of benefits in order to exclude adverse effects on present labour markets (eg LF participation) - or to improve from employers perspective present labour market situation (eg link UE benefits- severance pay)
- Provide for **reversibility** in well defined cases or scenario's

Results of Discussion

- ▶ Your main points :

Pointers of attention of employers- summary

Part 1 . Principle issues

Basically a few central points dominate employers approaches in SP discussions:

- ▶ Concerns about affordability - sustainability
- ▶ Concerns about impact on economic growth
- ▶ Concerns about imbalance between rights and duties/ imbalance between social concern and self responsibility
- ▶ Concerns about effectiveness: selectivity - targeting
- ▶ Concerns about efficiency in implementation
- ▶ Concerns about the role of private sector and their representatives
- ▶ Others...?

Pointers of attention of employers - principles elaborated

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- Provide for reversibility in well defined cases or scenario's

Pointers of attention of employers - principles elaborated

2) Impact on economic growth

Questions to be asked :

- Effect of proposed measures on competitiveness : labour cost , employment , informal sector .
- Effect of measures on present labour law and labour market situation via so-called ripple effects: (minimum) wage levels ; labour force participation levels ; severance pay etc.
- Effects of measures on gender issues and especially labour market participation
- Specific effects on certain sub constituencies from economic growth and equity perspective : sme's, foreign investment; formal sector ; public sector

Impact on economic growth

Possible conclusions and employers alternatives :

- Review scope of the plan, its priorities, its pace (more progressive) , entitlements, benefits levels because adverse effects on economic growth in general (eg less investment in health and more in employment)
- Review specific aspects of the plan because specific adverse effects on development of sub constituencies (eg tax exemption for sme's ; exemption for companies already having social protection schemes;) or specific groups (women)
- Provide for reversibility in well defined cases or scenario's

Pointers of attention of employers - principles elaborated

3) Imbalance in rights and duties

Questions to be asked :

- Effect of proposed measures on dependency ratio : which measures have a greater risk of creating dependency rather than resilience, self responsibility and activation .
- Underlying balance in proposed measures between self responsabilisation and solidarity

Imbalance rights - duties

Possible conclusions and **employers alternatives** :

- Introduce conditionalities in certain measures to incentivise responsible behaviour, the so-called CCT systems (eg school attendance for certain family or children benefits)
- Limit duration of certain measures , or provide for degressive benefits (unemployment insurance) to limit risks of dependency
- Link financing obligations (contributions) to entitlements or limit the level of «non contributory benefits «
- Prefer activation measures or provide for activation measures in social protection systems (the discussion ALM- PLM / work injuries return to work)
- Limit solidarity based assimilations or payments (and introduce varied payments according to risk eg in work injuries)
- Provide for additional systems to create self responsibility based coverage of risks (eg savings schemes for pensions)
- Extreme : Condition entitlements if extreme risk behaviour

Pointers of attention of employers - principles elaborated

4) Ineffectiveness in reaching social protection objectives

Questions to be asked :

- Effect of proposed measures on targeted issue and population: do we reach specifically to our objectives of social protection, or is this a general redistributive approach?
- Expected effect of the measure on the targeted policy issue eg. Less work injury via more OSH preventive policies, or via work injury insurance

Effectiveness

Possible conclusions and **employers alternatives** :

- Make a distinction between entitlements in contributory systems vs non contributive systems
- Introduce means tested approaches in non contributive systems to ensure maximum targetting
- Plea for more investment in prevention than repair

Pointers of attention of employers - principles elaborated

5) Efficiency in implementation

Questions to be asked :

- Provisions for compliance measures in contribution (quid informal sector, level playing field in controls, sanctions).
- Control on abuses (registry of targets , control and inspection)
- Corruption in administration
- Overhead costs in implementation and administration (see difference Malaysia - Philippines in operating expenses as % gross income: 1,77 vs 6,03%)
- Transparency and control on budgets
- Regular evaluations on long term effects (eg public works programmes)

Efficiency - implementation

Possible conclusions and **employers alternatives** :

- Compliance measures in contribution (quid informal sector, level playing field in controls).
- Control on abuses (registry of targets , control and inspection)
- Benchmark and limit overhead costs in implementation and administration
- Seaparate budgets and regular auditing - clarity on measures to be taken if budget is overspent
- Regular evaluations on narrow and broader effects (LM, growth, etc.)

Pointers of attention of employers - principles elaborated

6) Role of the private sector

Questions to be asked :

- Is private sector via Eos sufficiently associated, especially for systems with financial contribution PS ?
- Is intensity of association sufficiently high : information, consultation, joint decision making, co management or co supervision?
- Do we as Eos use this representation efficiently ? See Wednesday 5 Oct sessions
- Must social protection implementation remain a state monopoly or is there a place for private sector operators ?
- If private companies reach higher levels of social protection than state organised or imposed systems, do they have to contribute to state systems also ?

Role private sector

Possible conclusions and **employers alternatives** :

- Social protection systems, and by priority contributory one's, need a strong EO (and union) input and representation.
- The intensity of social partners input needs to be substantial and go beyond mere information
- The issue of social protection needs more employers reflection and action to increase policy input (e.g. more attention in national business agenda's)
- Social partners need support from government to be able to exercise their role as representatives and supervisors of social protection systems (support in training, facilities, fees)
- Examine where private sector operators can usefully play a role in implementation of social protection systems to enhance efficiency : eg. training and labour market activities such as placement; administration of systems; private insurance
- Exemption of company contribution if social protection via private system at least equivalent or higher ?

Part 2b Check of the relevancy of the pointers of employers attention

In this part, we will check - and extend the list of pointers of EO attention.

How?

Via Exercise : We take for each of our countries the present policy debates in social security / social protection , and check them if the points of attention we made under part 1 cover them .

Then we further extend our list of points

Exercise

3 working groups.

Each group will analyse one (different) social security or social protection system of one of the countries in the group.

Example. After short discussion select eg the pension system of Tanzania .

Let's try that each group works on a different social protection branch: unemployment, children's assistance/allowances; public works; pension; work injury ; health ;

List the main issues of the present discussion, and discuss together which concerns the employers should express on these issues.

Check with the list of part 1 (both questions and possible employers alternatives) and see if we need to add some more pointers to that list .

Timing : each group 30 minutes and reporting 5 minutes .

Outcome : employers pointers . What
can we add to the list of part 2a

Your points

Part 3 How should we bother? Our methods of influence



Part 3 Employers and social protection : how to influence SP policy and implementation

We determined the points of attention on behalf of employers. We have hopefully clearer ideas on **what to ask and what to comment.**

In this part we discuss **how to say and how to influence** ? What are main instruments available for employers- what is the process of influencing policy in SP and how to be effective.

Start with exercise . Main focus on the present situation in your countries.

Then some slides, a testimonial on Tanzania and afterwards conclusions - questions on action plans

Exercise

3 WG's - different composition as previous one.

Objective : exchange good practices on how Eos influence policy - implementation in SP

Your WG prepares **some good practices / bad practices** for reporting from your group.

Possible themes:

Group 1: Does your organisation do **lobbying - advocacy** in SP policies? What were main themes? which EO obtained some results ? Some good practices on how to do ? Or things which were not so good and are bad examples of not to do? What were the challenges ?

Group 2 What about **social dialogue** with trade unions? Anybody examples of Bipartite dialogue with TU's on SP ? How did it go ? Which results ? Did government respect ? Which challenges ?

Group 3 **Joint management** in SP institutions : existing in your country ? Good practices of this tool -institution in achieving results ? Or bad practices? Which challenges?

Time : 30 minutes and 5 min reporting per group **USE YOUR PREPARATORY WORK**

Your discussion on HOW to influence ?
Good practices - lessons

Some theory: policy influence of employers in social protection

Basic points

- 1) Policy influence is in DNA of employers in every field of the business environment. This should be also in social protection policies which have effect on costs, economic growth, work ethics , remuneration etc.

- 2) Policy influence has different methods which are used interchangeably and alternatively
 - Social dialogue with trade unions and tripartite
 - Lobbying and advocacy by the EO towards decision makers in social protection
 - Joint management of social security institutions

What are the basic differences in these methods ?

Exercise

Determine the differences between advocacy - lobbying- social dialogue - joint management of social security as policy influence mechanisms

What objective rather with advocacy or lobbying or social dialogue or JM - which central message

What do you expect to reach with respectively advocacy- lobbying - SD - JM

What are the positive aspects linked to using each of these methods?

What are the drawbacks ?

What are the conditions for each method to be effective ?

Give an EXAMPLE linked with SOCIAL PROTECTION ISSUES

An overview of differences

	Advocacy	Lobbying	Social dialogue	Joint management
What				
Objective				
Outcome				
Pro				
Contra				

An overview of differences

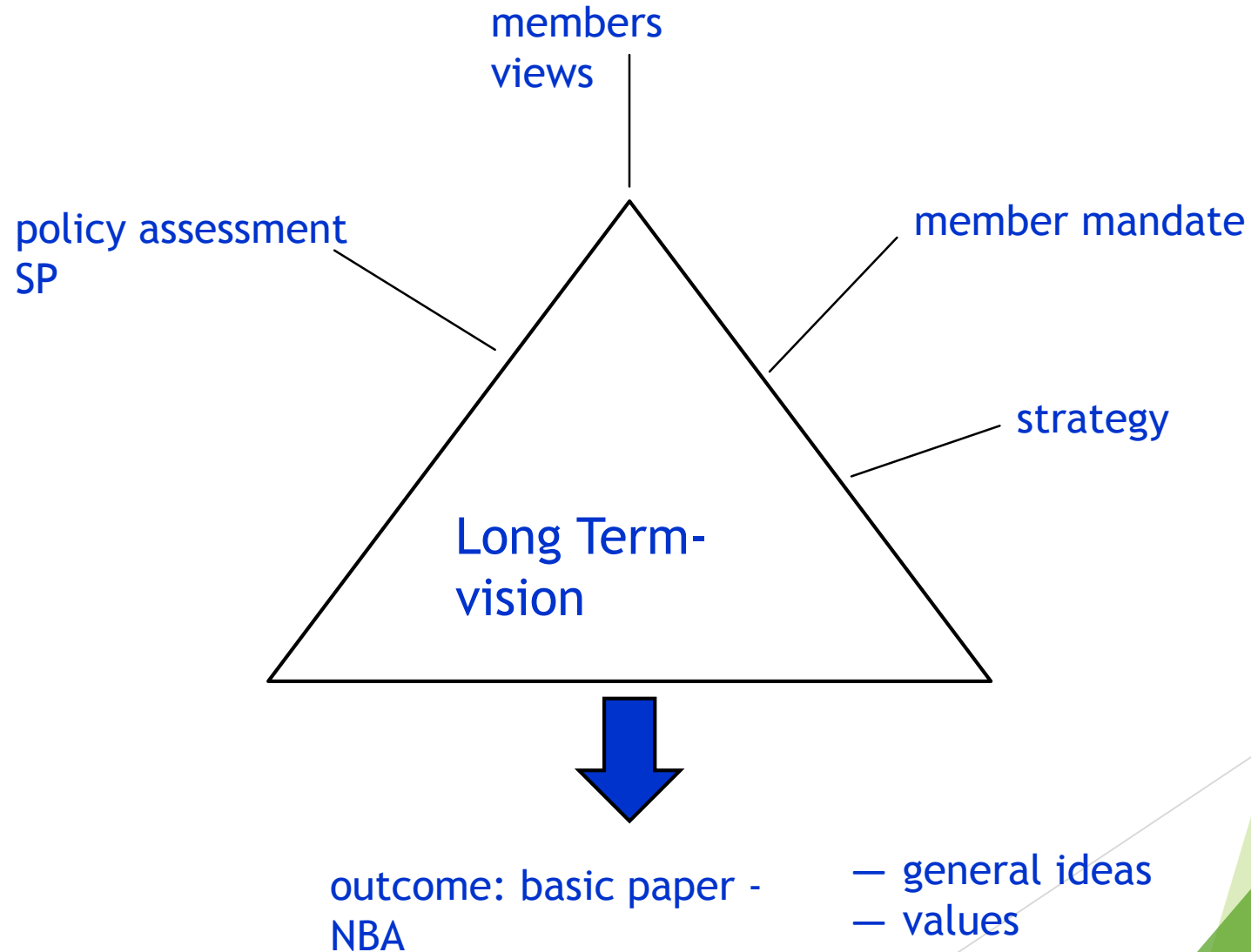
	Advocacy	Lobbying	Social dialogue	Joint management
What	Influence views general public	Strive for specific topics unilaterally	Policy effect via joint agreement	Policy effect via JM action
Objective	Create ready for change	Change in policies/laws	Idem	Change implementation
Outcome	Positive image and concerns	New enterprise friendly rules	Idem	Better application
Pro	Wide-soft-preconditon	Real results-little compromise	Real results-involvement stakeholders	Real results- effect micro
Contra	General-not focus-results?	Limited support	Compromise	Compromise Smaller issues

Steps for policy influence in relation to SOCPRO - the process

- 1) General introductory steps. LT vision
 - ▶ Essential for all forms of policy influence

POLICY INFLUENCE CYCLE

Starting point for policy influence



Some comments

Global policy assessment: secretariat is driver and actor

SOME ISSUES

STUDY

Which sources:

International : ILO country papers ; ILO general docs (Soc Pro platform) ; but also SDG, Poverty Reduction Strategy papers, moving to Economic development Docs ; Development Banks papers ;

National : National policy documents Ministry Social Affairs; national development plans for chapters on some social protection branches.

Some Comments

MEMBERS INVOLVEMENT (views and mandate)

Key for a democratic and members oriented EO

Essential to use the governance structure of the EO : committees, Board, but also go beyond : regions, sectors - especially those with certain SOC PRO sensitivity).

STRATEGY

Not public

Determines the way you will approach policy influence: which channels you prefer; tone; alliances (after some stakeholder analysis)

Some comments

OUTCOME

National Business Agenda or other general document if possible

Contains basically two chapters :

- What are issues (in SOC PRO): facts, figures , from company viewpoint
- What is our vision : proposals based upon feasibility and values

Clear messages (eg best social protection is a job; social protection is joint responsibility ; social protection OK - social dependence : not OK , etc etc.)

➔ Communication - speeches - press : YOUR BASIC MESSAGES

➔ CAN BE ADDED . SHOW CASE

Good practices companies

CSR - prevention

- caring : community practices

But also risks of combining

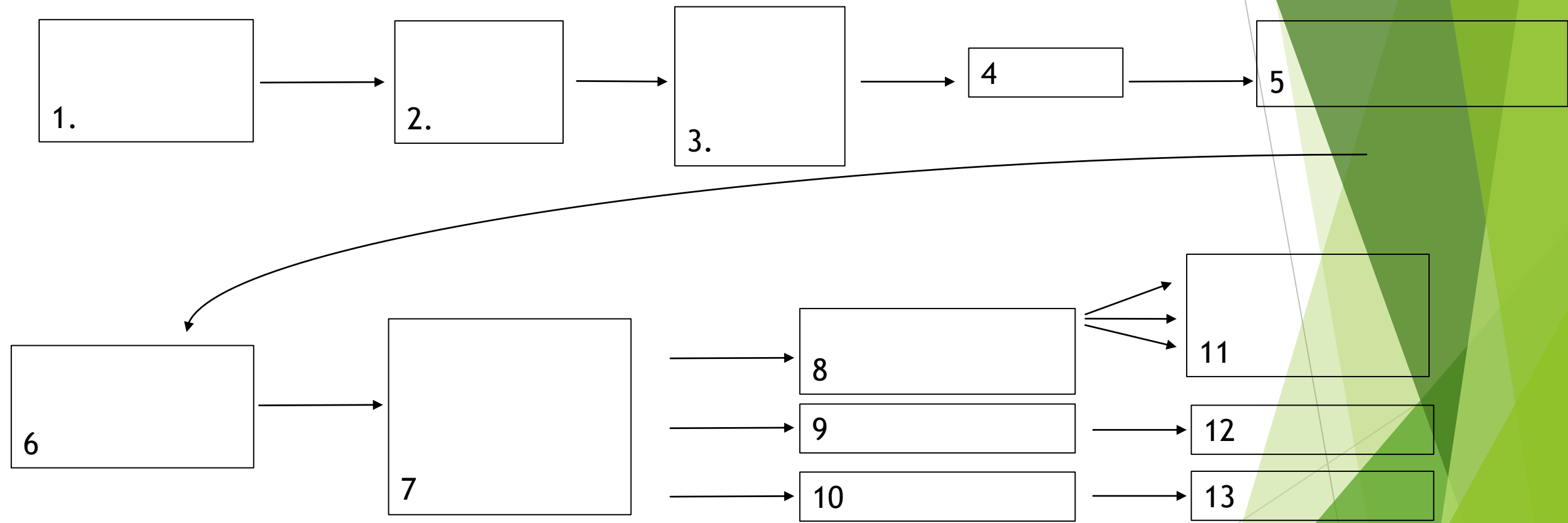
METHOD LOBBYING , SOCIAL DDIALOGUE, JOINT
MANAGEMENT

MORE FOCUSSED INTERVENTIONS FOR POLICY INFLUENCE

Start with exercise to define the policy process and flow
(see word doc)

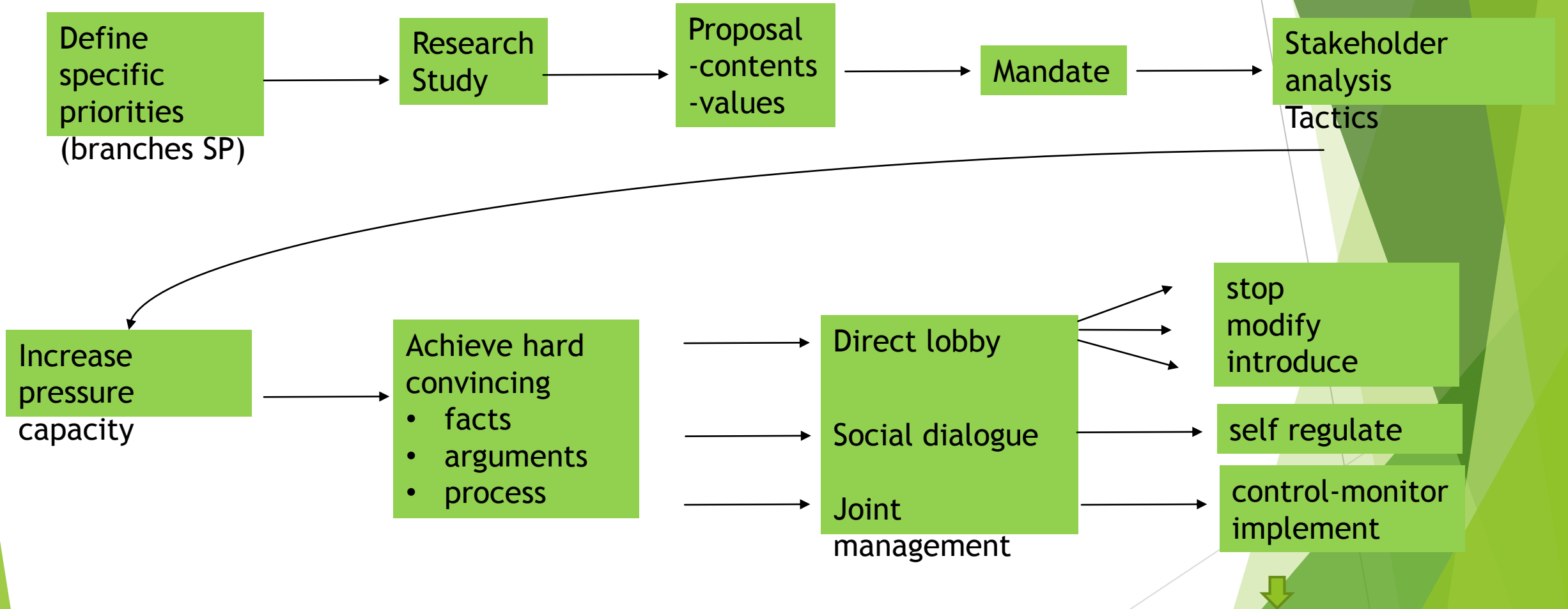
LOBBYING - SOCIAL DIALOGUE FOCUSED CONVINCING

PROACTIVE
REACTIVE



FOCUSED CONVINCING

reactive
proactive



Some comments on lobbying (for SOC PRO) ?

► SOME GENERAL RULES

- Propose , do not oppose: importance tone
- Never politicise or personalise
- Pick your battles : importance priorities
- Lobbying is in general interest of the country: underline this
- From general to very specific and technical : importance research and communication
- United we stand : importance broad pressure capacity

Some comments on lobbying (for SOC PRO) ?

► SOME SPECIFIC RULES

- Branches of SOC PRO : Priorities for those in which there is direct employers contribution or with direct link to IR- LL- labour supply
- Research: based upon strong knowledge and expertise, include also budgets, LT evolutions (eg longevity)
- Value arguments as a basis but not as an end result
- Importance of good view on link collective bargaining scene at company level and general systems of soc pro

Examples of good lobbying : in contents or methods

Tanzania

Avoid broad notion of salary (including some premiums) as a basis for calculation of employers contributions

Uganda

Exempt from increased health contributions companies which already have health plan

Others in the room

- Public works ?
- Unemployment benefits
- Pension systems
- Etc.

Some comments on social dialogue as policy influencing methods

Very country determined: power - strength - openness - political neutrality - membership composition - reliability trade union for bilateral talks.

Very often used in West EU and linked with trade union and EO power and big contribution to social security

Examples:

- Social dialogue for public sector with trade union involvement towards government as employer
- Social dialogue on systems with direct effects on LM : pensions, unemployment; work injuries; general principles of social protection systems
- Less on systems of social assistance , childrens benefits , health care

Some comments on social dialogue as policy influencing methods

Challenges for employers:

- Keep members aware and involved
- Social dialogue : a game with three: don't be cheated
- Think LT ; ST concessions may cost a lot (eg assimilations of non worked periods)
- How to deal with the trade union tactic of individual « cases» and exceptions : importance communication , importance clear lines
- Keep link with financing where workers contribution should mirror employers contribution
- Make think trade unions more « modern»: keep activation and prevention as guideline

Some comments on joint management as policy influencing method

Big advantage: EO is institutionally represented - use it well

Opportunities :

- Information : On new regulations - budgets - policy development
- Network : Contacts with specialists and implementation agency and Minister
- Consultation - joint decision-making : in how far - blocking or retarding capacity ? - obligatory communication of your points to Parliament ?
- Research: capacity to ask for research ?
- Control - monitoring : check accounts and expenditure
- Control on social fraud : check systems for control on abuses
- Control on management : ICT , personnel policy , investment policy
- Support risk identification policy (operational, liquidity, liability, investment, economic)

Some comments on joint management as policy influencing method

Limits and challenges :

- Joint supervisory management is not micro management
- Expertise essential
- Keep strong link between reps and EO: models of staff or member reps different ; if no link : act ! (regular reporting Board; motivate, change)
- Confidentiality
- Clientelism individual , or collective pressure (e.g. healthcare pharma)
- Apply Pareto rule

Some personal experiences in joint management : TANZANIA

Dr Aggrey Mlimuka , CEO ATE

Some personal experiences

BELGIUM - National UE Office Board

1) Limits - No illusions.

Global issues we were confronted with: high expenditure to to past generous systems (undeterminate UE; UE for youngsters, prepension at young age) :
Difficult to tackle as such , but small steps possible

2) Lots of work

1 meeting every 2 weeks; lots of paper- good preparation necessary

3) Important as source of information: new proposals for regulation - budgets and forecast ; possibility for additional studies ;

4) Capacity for policy influence: methods : postpone; link with some activation ; experiment; but big changes elsewhere

5) Possibilities for trust building with trade unions (via solving crises)

Some personal experiences

BELGIUM - National UE Office

6) Status for the organisation

And networking with top officials and ministers

7) Alarming capacity via updated via information

8) Importance of keeping unity in delegation

9) Difficulty to manage diverse interest especially if bussiness oriented and not always congruent with public interest

Conclusion

- ▶ We looked at three main issues:
 - Why bother ? Importance for Eos of SOC PRO : we must bother and influence
 - Bother about what ? We defined major principles and questions and possible general solutions
 - Bother how? Influence via different mechanisms such as advocacy, lobbying, social dialogue and joint management , each with comments

REMAINS : YOUR ACTION PLAN

ACTION PLAN

What will you do with learning - exchange?

Make your action plan on attached word document 1 per country